RAILWAY FREIGHT RATES IN CANADA

A STUDY PREPARED FOR THE

ROYAL COMMISSION ON DOMINION-PROVINCIAL RELATIONS

BY

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FOREWORD

Government transportation policies have been basic factors in influencing the economic development of Canada and in determining the relations of the Dominion with the provinces. At the present time, because of the very extensive financial interest of Canadian governments in the transportation industry, its problems and requirements have a direct bearing on public finance.

With this in mind, the Royal Commission on Dominion-Provincial Relations requested Mr. R. A. C. Henry, former Deputy Minister of Railways and Canals, to undertake and supervise an extensive study of the development of transportation in Canada and its immediate prospects. Associated with Mr. Henry in this project were Dean Vincent C. MacDonald, K.C., Dalhousie University, who prepared a memorandum on the law affecting jurisdiction over the various fields of transportation, and J. A. Argo, then Chief of the Tariff Bureau, Canadian National Railways, who prepared an historical review of the railway rate structure in Canada. Mr. J.C. Lessard of the Bureau of Economics, Canadian National Railways, assisted Mr. Henry in the preparation of the schedules and statistical data. The material was prepared for publication by Eric G. Adams, consulting engineer, who also wrote the Foreword. The manner of presentation and expressions of opinion in this study are the responsibility of the authors, and not of the Commission.

The Physical Setting

The geography and natural resources of Canada have so greatly influenced transportation development that a brief reference is sufficient to emphasize this.

From the days of earliest settlement the St. Lawrence River played a dominant role in the economic development of the country. It is the one great river system leading from the Atlantic

Ocean into the heart of the American continent. It was almost inevitable, therefore, that it should come to be looked upon as the natural pathway up and down which should flow the commerce of the interior with the eastern seaboard and lands overseas. But while the St. Lawrence-Great Lakes waterway provided ready access to the mid-western plains region of the United States, a number of serious obstacles had to be overcome before the various economic regions of Canada could be connected by transportation systems.

Communication between the Maritimes and Central Canada by way of the St. Lawrence is circuitous; a direct connection must traverse part of the State of Maine and a small range of mountains. In Quebec the Laurentians hemmed in the settlements on the north shore of the St. Lawrence and presented a barrier to transportation in the mineral area to the north. North of the Lakes, and between them and the plains area of the Canadian West, the Pre-Cambrian Shield long prevented a direct connection between Central Canada and the West. Except for the mineral resources now being developed and some pulpwood resources on the fringes, this area forms a virtual traffic desert which cannot itself support a transportation system. In the far West, a series of high mountain ranges effectively isolated the Pacific coast settlements until a railway connection was established at heavy expense.

The distribution of natural resources affects both the location of transportation facilities and the nature of traffic to be handled. Exploitation of mineral resources, usually located in mountainous regions, presents difficulties in the way of railway construction. Production of large crops of agricultural commodities for export, as in the Prairies, imposes on the transportation system all the difficulties of a highly concentrated seasonal movement. A transportation line developed to facilitate the exploitation of timber resources is faced with the necessity of continual extension to keep up with the receding source of traffic.

The factor of distance, which for economic reasons very directly influences transportation development, has been frequently ignored in Canada for political reasons. Not only was an economic environment conducive to north and south traffic movements made to produce a flow of east and west traffic, but this movement was made to take place within the political confines of Canada instead of by more economical routes running through parts of the United States.

In the aggregate these factors largely determined the development of a transportation system in Canada which is a heavy burden on the national economy. This burden is reflected not so much in the direct charges the Canadian people pay for their transportation as in the indirect charges required to support the load of public debt incurred in the process of development.

Pre-Confederation Attempts to Tap Mid-West Trade

In the second quarter of the nineteenth century the rapidly expanding commerce of the Mississippi Valley with the eastern seaboard region and overseas countries raised hopes in the minds of Canadian businessmen that this rich trade could be made to flow down the St. Lawrence through their hands instead of through New York and Baltimore. Such dreams inspired the undertaking of extensive waterway improvements, necessarily by government since the scope of the projects and the amount of capital required were larger than private interests were willing to handle. Although the St. Lawrence route had certain advantages from the standpoint of navigation, other factors militated against the routing of any considerable part of this trade through Canadian channels.

But these hopes were not abandoned. Consequently, with the coming of the railway, this new transport facility was seized upon as a means of attaining the same end. At first the railways were integrated with the waterway system by using them as portage roads to circumvent obstacles in the water route. The rapid

extension of railway systems westward in the United States, however, soon led to the projection of all-rail routes in Canada, as exemplified in the construction of the Grand Trunk. As with the waterways, it was found that such railway construction was too big an undertaking for unassisted private enterprise, particularly when the routes were determined more for political than for economic reasons, so the governments became heavily involved. Although help was solicited from the Imperial Government the Colonies were left largely to carry on their railway development as best they could.

In the Maritimes, too, the hope of capturing mid-west trade for an all-Canadian route which terminated in the ice-free ports of Saint John and Halifax was a continual incentive to attempt to obtain a rail connection with Central Canada. Such a project was, of course, beyond the economic strength of the Maritimes to carry out. Since outside help had not materialized, either from the Imperial Government or from the Canadas, Confederation found the Maritimes equipped only with unconnected pieces of railway which could not be self-sustaining.

Highway development had not yet become a major element in government policy. There were some colonization roads constructed at government expense and some turnpikes built as self-sustaining enterprises, but at the time of Confederation the importance of highways both as a means of transportation and as a problem of public finance was far over-shadowed by the waterways and railways.

Financially, the result of the waterway and railway construction which had taken place was that the provincial and municipal governments had undertaken obligations far larger than their limited economic strength warranted. By 1866 the investment of governments in Canada in transportation was equal to 60 per cent of the total provincial and municipal debt and about one-third of provincial and municipal current expenditures were incurred for transportation purposes.

The All-Canadian System

With Confederation came a change of change of emphasis in transportation policy. The attempt to obtain mid-west traffic for the St. Lawrence route, by water or rail, was not forgotten, but it was pushed into second place by the task of linking up the different parts of Canada with a transportation system. The new Dominion Government undertook this task in an atmosphere of expansion and prosperity. Economic problems were not uppermost and a transportation system was readily seized as an instrument to help weld the constituent parts of the Dominion into a political unit.

The Intercolonial Railway, connecting the Maritimes with Central Canada, was built wholly within Canadian territory at the expense of 250 miles in excess of the distance of a line across Maine. In 1874 construction of the Canadian Pacific Railway to link British Columbia to the eastern provinces was begun as a public work, but in 1881 it was turned over to a private company. The decision to establish the railway link to the Pacific entirely within the confines of Canada was again dictated primarily by political and not economic motives. Consequently substantial public assistance had to be given to induce private construction.

Herein developed the large-scale public assistance policy which became almost the universal method of promoting railway construction. Direct government subsidies in cash, liberal land grants, and some government guarantee of securities to assist in financing were all employed in the ensuing period by Dominion and provincial governments alike. With such government aid flowing freely railway expansion was continued throughout the two decades of adverse economic conditions which befell the new nation after 1873.

In fact the general economic situation toward the end of the century itself became an important determinant of the railway policies adopted. With the substantial completion of the "all-

Canadian transportation system", more attention was paid to the use of railways to promote internal and inter-regional trade. The introduction of a protective tariff tended to divert trade from international to interprovincial channels. The provinces, in an effort to combat the depression, pushed the development of their economic frontiers and to this end actively promoted railway expansion. Toward the end of the nineteenth century, therefore, the Dominion and the provinces had become rather heavily involved in the railways.

During the same thirty years following Confederation considerable sums of public money were expended to deepen the St. Lawrence waterway and most of the other smaller canal systems were also improved. A substantial program of harbour improvement was undertaken, and in 1888 the Dominion took over the responsibility for the dredging of the St. Lawrence below Montreal.

While these waterway improvements and extensions of the railway network were important in many respects, the major accomplishment in the transportation field between Confederation and the end of the century was the completion of the transcontinental railway system.

Second Expansion Period 1900-1917

Toward the end of the 1890's the country was again on its way to a new and greater period of expansion. An aggressive immigration policy was launched about the beginning of the century which profoundly influenced the next stage of transportation development. The optimism engendered by returning prosperity and the inflow of cheap capital from abroad prepared the ground for a new wave of railway construction, and liberal government assistance assured that this took place.

Railway policy played an important part in promoting the settlement of the Northwest and in making that settlement the basis for economic expansion in other regions. The main emphasis was on

providing facilities for the movement of the agricultural commodities out of the rapidly growing seat of production for export in the Prairies which was important to East and West alike. The East also turned its attention directly to supplying the growing western market with domestic industrial goods. Thus at last it seemed that traffic to support the all-Canadian (east and west) system of transportation was becoming available.

The only significant canal work undertaken in this period was the deepening of the Welland Canal, which was only partly completed when War broke out and the project temporarily abandoned. With the growth in exports of grain from the Prairies, however, the Great Lakes-St. Lawrence system assumed a new importance because of the cheap transportation it provided for bulk cargoes.

But railway work was not so restricted. Between 1903 and 1917 railway mileage almost doubled in comparison with a population increase slightly in excess of 40 per cent. The Dominion embarked on the construction of the National Transcontinental running from Winnipeg to Moncton and gave liberal assistance to the Grand Trunk Pacific in constructing its line from Winnipeg to the Pacific. Contemplation of this new competition in the West at once spurred on the Canadian Pacific and Canadian Northern to extend their lines there to tap as much territory as possible in advance of the new rival. Furthermore, in 1910-11,the Dominion decided to assist the Canadian Northern to connect up its rapidly acquired Prairie network and extend it eastward to form a third transcontinental system. Construction of the Hudson Bay Railway was also begun as a government undertaking in this period, although it was not completed until some years later. Thus in a few short years to the one all-Canadian rail route, which had experienced trouble enough in getting traffic over long sections of its line, were added two more all-Canadian transcontinental routes, and the seeds of the present railway problem and a large part of the problems of public finance also were sown.

Provincial aid was freely given for railway construction too. Often assistance from both the Dominion and a province were given to the same railway. Many of the provincial grants and guarantees were given to further the internal development of the province concerned, although this was not always the case, as Manitoba, for example, made several attempts to improve its external connections. During this period the Provinces of New Brunswick, Ontario, Alberta, and British Columbia became deeply involved, through construction, foreclosure or acquisition, in the affairs of important local railway systems. The provinces also began to make expenditures for highway construction in the later years of the period, both directly and by way of assistance to the municipalities.

Government aid took the form of direct cash subsidies, loans, and security guarantees. The last was used lavishly by both the Dominion and provinces. Under the prevailing spell of expansion, the burden of government bond guarantees was taken lightly as it did not appear that these would cost the guarantor anything except in "exceptional" cases. By 1916 Dominion guarantees of railway securities exceeded $135 million and the provincial guarantees were not far short of such an amount. With the outbreak of the War the inflow of foreign investment capital dried up overnight and the guarantees assumed a hitherto undreamed of importance. In order to complete construction further loans were necessary and the governments were faced with allowing the roads to go bankrupt and so becoming liable under the guarantees or with making further loans in the attempt to prop up the tottering structure.

Under these circumstances the Royal Commission of 1916 was appointed to investigate the whole railway situation with particular reference to the best policy to be adopted on behalf of the insolvent railways.

Consolidation and the Growth of New Competition

The Royal Commission reported in favour of the Dominion taking over the Canadian Northern, the Grand Trunk, and the Grand Trunk Pacific and together with the already existing government-owned railways forming a consolidated system. The Dominion then proceeded to implement its recommendations and by 1922 was vested with full control of the various railway properties.

The turn thus taken by events radically altered previously existing transportation policies. Throughout the whole country the Dominion Government was intimately concerned with meeting the rail transportation requirements of all the localities tributary to the system it controlled. The situation that had existed ever since Confederation with respect to waterways was now repeated on a grander scale with railways. While it was obvious that no further large scale railway construction was warranted, the management of the newly formed Canadian National Railways was faced with the problem of converting a number of railways constructed for the most part to compete with each other into a functioning, integrated system. Furthermore, the serious financial difficulties experienced by the constituent roads prior to their acquisition by the Government meant that their properties were not well maintained; so the Canadian National was faced with the necessity for further heavy capital expenditures for rehabilitation and new facilities. The Hudson Bay Railway was also completed and terminal facilities at Churchill were constructed. Inevitably, therefore, the Dominion obligations in respect to railways continued to mount.

From the standpoint of the provinces, railway matters improved. When the Dominion took over the railways it in effect, although not formally, relieved the provinces of their railway guarantees amounting to some $94 million, since the Dominion has met such of these obligations as have matured. For the Maritimes, the acquisition of the railways by the Dominion held an unexpected benefit in the virtual abandonment of the route to Portland, Maine, in favour of the routes to their ports.

The growth of motor transportation had also been taking place at a rapid rate since the War. This produced effects on both railroad traffic and on provincial and municipal finances that were little appreciated at the time. By 1920 the use of the private automobile had become so widespread as to cause a falling off in railway passenger traffic which continued practically without interruption for fifteen years. The effect of the motor truck on railway freight traffic was not as severe and came much later, but since about 1930 truck competition, being largely restricted in its incidence to the high rated traffic, has had an important effect on the railway rate structure.

In the field of public finance, the motor vehicle has assumed importance both as a source of tax revenue and as the cause of heavy expenditures for highway construction and maintenance. After 1919 there was a rapid expansion in the construction and improvement of highways. The provinces stepped in quickly to assist the municipalities in facing a financial problem which was too big for their limited resources and at the same time the provinces took over the new-found revenue sources.

With the onset of the depression in 1930 the problems of transportation were rapidly brought to a head. A rapid decline in traffic emphasized the heavy overhead charges of the railways and turned attention forcibly to the inroads being made by new forms of competition. The result again was the appointment of a Royal Commission in 1931 with broad terms of reference to investigate the whole transportation problem. The Commission pointed out the various disabilities which lay in the way of any fundamental solution of most of the problems and specifically recommended a policy of co-operation between the Canadian National and Canadian Pacific railways in the attempt to curtail competition expenditures.

An unexpected development during the depression years was the rapid increase in use of the aeroplane. In Canada the development was peculiar in that the new form of transportation was used mostly to

gain access to places in the wilderness when other modern means of transport were lacking. Carriage by air of both passengers and freight to and from new camps of the greatly stimulated precious metal mining industry became common. At the same time rapid expansion of air travel between metropolitan centres in the United States created a demand for the same kind of service in Canada. To provide this service the Dominion itself took the initiative and after building a series of landing fields as unemployment relief projects, the Government in conjunction with the Canadian National incorporated a company to provide trans-Canada air service.

Control of the System in Operation

As the transportation system developed toward maturity, the governments which had initially been concerned mostly in assisting in the provision of facilities began to devote more attention to the control of the system they had helped so largely to create. While certain rules have been laid down covering provision of service, safety measures, and so forth, the most important means of governing the operation of the transportation system (as distinct from the provision of capital facilities) in the interests of national or regional development has been the control exercised over the charges for transportation service.

Rates on the waterways have virtually been left to be determined by competitive influences, although the Government does in effect prohibit exorbitant rates on the movement of grain both through its ability to disallow temporarily the coasting law and so permit competition from United States vessels and also through the power of the Board of Grain Commissioners to prescribe maximum rates. Otherwise, government regulation has not been an important factor in determining the use made of inland water transportation.

With the railways, the situation is different. Prior to the appointment of the Board of Railway Commissioners in 1903, railway rate regulation was desultory and mostly took the form of statutory limits for the upper level of charges, e.g., charter provisions, Crow's Nest Pass Agreement, Manitoba Agreement, etc. In 1903, the agreement between the Dominion and the Grand Trunk concerning construction of the National Transcontinental and lease to the Grand Trunk contained a clause stipulating that export rates via Canadian ports were to be no higher than rates via eastern United States ports. But after that time, the control exercised by the Board was repeatedly used to change rate levels to further some national policy or to meet the demands of some particular region. This, of course, does not mean that competitive influences have not been important in determining rates, but a few examples will serve to emphasize the extensive use which has been made of the power to regulate rates in the interests of general economic development.

The Western Rates Case resulted in ameliorating somewhat the disparity in levels between the east and the west. From 1916 to 1920, the various general increases in rates which were granted, while allowed as protection to the carriers against increased costs, were at the same time used to reduce further the disparity between eastern and western rates. This was accomplished by granting larger increases in the East than in the West; for example, on the basis of the rate level at the beginning of 1916, the various general increases made to 1920 amounted to 111 per cent in the East and 69 per cent in the West. Decisions of the Board show continuous attention paid to the desirability of equalizing eastern and western rate levels, but no completely satisfactory method of accomplishing this end has been found, due to a diverse complex of competitive influences.

Other instances of the use of both regulatory and statutory rate making power to assist particular regions are discussed in detail in the body of this Appendix. They include

assistance to the Maritimes (Maritime Freight Rates Act), low rates on export commodities, rates designed to assist Canadian lines to compete on through and export traffic with United States roads, rates to further the use of Canadian ports in competition with American ports, low rates bridging the traffic desert north of the lakes and between the lakes and Winnipeg and many special commodity rates which assist in the development of particular industries and localities. It is on the basis of all these special concessions and special assistance that the present railway rate structure has been built up. In general, the theory adopted has been that the railways could make up on their high rated traffic for the low revenue secured from the traffic which enjoyed special privileges for various reasons. As long as the total traffic pool remained relatively (one part to another) stable this system worked.

But the inroads made in recent years by the new competitor on the highways, small as diverted motor traffic may be to the total railway traffic, are most important in their effect on the railway rate structure. Diversion of high rated traffic forced the railways to quote lower rates and give more service on this class of business in order to meet the new competition. Under the established system of railway rates, however, the railways cannot lose a substantial part of their high rated traffic (or subject it to substantially lower rates in order to hold it) while still carrying the low rated traffic at rates which will continue to move it, and continue to show a profit.

Matters are further complicated by the division in jurisdiction which exists over the old and new forms of transportation. While both the Dominion and the provinces contributed heavily toward the provision of railway facilities, control of the system in operation now rests almost wholly in the hands of the Dominion. Highway facilities, on the other hand, have so far been

provided almost entirely at the expense of the provinces and municipalities, and what regulatory control of motor carrier operations there is rests wholly in the hands of the provinces. Promotion and regulation of highway transportation, therefore, have been almost entirely devoted to furthering the interests of each region separately. The economic importance which this form of transportation has now achieved raises the serious question as to how its further development can be directed in the national interest.

The development of air transportation is still in its initial stages and the problems which will arise in the course of its progress cannot now be foreseen. In its long distance application, air transport is from the outset being promoted by the Dominion itself. Regulation of aerial navigation in a general way has been undertaken by the Dominion Government under the terms of an international convention. The provinces have the power to regulate intra-provincial air transportation as long as this does not conflict with Dominion legislation under the convention. This division of jurisdiction was confirmed by the Aeronautics Case, but with the prospect of rapid growth in this field future jurisdictional conflicts may arise if the present international convention is terminated.

The Legacy

An inventory of transportation facilities in Canada in 1938 discloses that fixed plant consists of 1890 miles of navigable inland waterways leading from the Atlantic Ocean to the heart of the continent, railway mileage of 42,388 miles comprising two trans-continental systems, highway mileage totalling 495,738 miles with an almost completed route from coast to coast within the confines of Canada, and airway routes under the development also spanning the continent.

Virtually the whole of the waterway system was developed at public expense, construction of the extensive railway network was accomplished with liberal aid from the Dominion and the provinces, the highways were the result largely of provincial and municipal expenditures, and the transcontinental airway system is the undertaking of the Dominion although a number of feeding and mining lines are privately owned. The provision of such an extensive transportation system was, therefore, not accomplished without the expenditure of huge sums of public money, huge particularly in relation to the population and economic strength of the country. Consequently a direct result of the transportation policies that have been followed is the existence today of a staggering burden of public debt contracted in the process. At the end of 1937, 70 per cent of the non-self-supporting debt of the Dominion, provinces, and municipalities together can be directly attributed to transportation.

An attempt has been made to determine for the year 1936 what part of the cost of public transportation was borne directly by the users of the facilities and what part was borne indirectly by the general public through taxation. This is shown in Schedule 1. The total cost of public transportation for that year was found to be approximately $1,367 million of which about 88.5 per cent was directly borne by the users and 11.5 per cent by taxes of general application. One difficulty in making any such calculation, of course, is the necessity of estimating costs of highway transportation which forms such a large part of the total.

From the standpoint of Dominion finances, the progressive accumulation of obligations on behalf of water and rail transportation facilities owned by the Dominion is set forth in Schedule 2. The total of such obligations in 1936 approached $3,386 million, and on a per capita basis had at that time grown to $307 from $22 in 1882. The importance of transportation as

contributory to the problem of public finance, therefore, cannot be over-emphasized. For the future the problems will not grow less severe. The Dominion has taken responsibility for the promotion of water transportation from the start, and is now accepting the same role for long-distance air transportation. It was forced to assume the same responsibility for more than half the railway system of the country and relieve the provinces of their burdem. The provinces, in turn, have had to take over from the municipalities more and more of the responsibility for highway development, and it is possible that the Dominion may in the future be drawn into giving increasing assistance to the provinces in this field or into taking over more of the responsibility directly. Thus there is a prospect for a considerable increase in Dominion obligations for owned transportation facilities as time passes.

There are, of course, other reasons for possible increase in Dominion responsibilities for transportation than the disability of the provinces to continue to bear the financial burden they have assumed. From the point of view of national interest, a transportation system is required in which all the parts will function smoothly in their proper sphere so as to furnish the public with the best service at the lowest over-all cost. The advent of new forms of transportation presents problems of adjustment which are more far-reaching in their implications than that of simple competition between the old and the new. Under present conditions it is not sufficient for the government, for instance, to stand aside and act only as referee in the struggle between the railways and their competitors on the highways.

The Dominion has gone a long distance in providing the country with a transportation system to aid in its economic development. The fact that the Dominion itself is now the owner of facilities which are in part being made obsolete by new transport agencies makes the problem of adjustment more difficult in some respects, but on the other hand, this very factor may be of

assistance in proceeding to develop a co-ordinated transportation system.

There are two major problems now demanding attention if further progress is to be made in integrating transportation developments in the future. The first is that of divided jurisdiction. The creation of the Board of Transport Commissioners with authority over water (to a limited extent), rail and air transportation served to emphasize the lack of Dominion control over highway transportation. The need is not only that of working out some system of unified regulatory control in this field instead of that of nine separate control bodies as at present, for experience in the United States strongly indicates that regulation alone will not bring about co-ordination. Equally important, is the need for co-ordinated planning for the development of the highway system to meet national, in addition to local, requirements. Real control over the amount and direction of highway construction, of course, lies in regulating and directing the supply of funds available for this purpose. This leads directly to the question of motor carrier taxation (including the gasoline tax) and what jurisdictions will occupy the field.

The second major problem concerns rates. It is apparent that the relative charges for the different types of transportation service are most important in determining the division of traffic between them. Therefore, unless rates for each form of transportation bear approximately the same relationship to the costs of each, it is not possible for them to find their individual economic positions in the whole transportation system. For example, to the extent that motor carriers have approximated railway practice in rate making they have not made full use of their opportunities to find their economic sphere of activity, for their costs are different. On the other hand, to the extent that motor carriers have based rates on their costs they have diverted high rated traffic from the railways because of the important place the

value of service principle plays in the rate making policy of the latter.

Because of the high overhead costs of railways, traffic density plays an important part in determining unit costs. Reference to Schedule 3, showing freight traffic density for different sections of the railways, indicates how widely railway rates would vary in different localities if they were all based on the same relationship to cost. Furthermore, important sections of the Canadian economy have been built up by providing them with favourable rates having no reference to cost whatever, so that it is manifestly impossible to impose a thorough application of the cost theory in rate making and still maintain our economy on its present basis. Yet continuation of present practice is undermining the whole railway rate structure and at the same time fails to insure the best development of all forms of transportation from a national point of view.

These are problems which cannot be solved by the application of any simple, all-embracing formula. No doubt the only solution will in the end be found to be a compromise. It is important, however, to appreciate that they exist and to begin work on them. The obvious first step is the collection of the factual data that is now so largely lacking, particularly in the field of motor transportation.

PART I - THE PROVISION OF TRANSPORTATION FACILITIES

1. THE POSITION AT CONFEDERATION

Waterways

The westward advance of settlement in the United States, which spread from the Atlantic Coast across the Appalachian Mountains into the valley of the Mississippi, and the provision of transportation facilities to give these settlements access to the Atlantic Ocean, exerted a profound influence upon the transportation policies adopted in Canada. The completion of the Erie Canal for four foot navigation from Lake Erie to the Hudson River in 1825, the rapid development of prosperous communities along this water route, and the subsequent construction of canals and railways from the Mississippi Valley eastward, aroused the people in Central Canada to attempt to capture, for Canadian transportation routes, a share of the trade from the Mississippi Valley.

This involved the completion and improvement of the St. Lawrence navigation route. Much of this work was undertaken after the union of Upper and Lower Canada in 1841. The program of development was completed by 1848 and afforded a nine foot waterway from Chicago to Montreal.

Unfortunately, the expected traffic results did not materialize, because, even before completion of the improvements, certain events occurred which counteracted the efforts made to induce traffic to follow the St. Lawrence water route. These events were: the enactment in 1845 by the United States of a bonding law which permitted free passage in bond through the United States of Canadian imports or exports, passage of the Corn Laws in 1846, and in 1848 repeal of Imperial differential duties in favour of the St. Lawrence route. A further factor in holding traffic to the Erie route, despite the superiority of the St. Lawrence route from the standpoint of depth of navigation, was the attraction of U. S. Atlantic ports for export traffic by reason of frequent sailing schedules and superior port facilities available there.

At the time of Confederation, in addition to the St. Lawrence system, canals had been constructed to provide five to six foot navigation on the Ottawa-Rideau system, seven foot navigation on the Richelieu-Lake Champlain system, and a number of other smaller undertakings, all of which are shown in Schedule 4. Work had been started on the St. Peter's Canal in the Maritimes, but was not completed at Confederation. All of the canals had been constructed with public funds, except the Desjardins Canal where public assistance was given to a private enterprise. The total government outlay for canals, including work on various connecting channels, amounted to about $23.5 million at Confederation.

Reports of the Department of Public Works indicate that there were a large number of harbours of varying size in Canada at Confederation. Initially the municipalities immediately concerned were charged with the cost of harbour improvements, and in some cases provided such facilities themselves. Later, as it was found that the expense of these works exceeded the resources of the municipalities, steamboat and railway companies came to their assistance. By the time of Confederation, the government had assumed control of most of these works. The amount of public funds expended in the provision of such facilities at Confederation in Prince Edward Island, Nova Scotia, Quebec, and Ontario (the only provinces for which figures are available) amounted to more than $2.6 million.

Railways

The early railroads were mostly constructed as portage roads; for example, the Champlain and St. Lawrence completed in 1836 ran from Laprairie on the St. Lawrence River to St. Johns on the Richelieu River, the Montreal and Lachine Railway was completed in 1847 as a portage road around the Lachine Rapids, and in 1854 the Erie and Ontario Railroad was completed from Chippewa to Niagara-on-the-Lake thus constituting a portage road around Niagara Falls.

Subsequent to completion of the enlarged St. Lawrence canal system in 1848, the railway construction program was definitely made a part of the continued attempt to obtain for Canadian routes and ports a share of the traffic from the Mississippi Valley and middle west. The St. Lawrence and Atlantic Railway was built to connect with the Atlantic and St. Lawrence Railway to give Montreal a winter outlet at Portland, Maine. The Great Western Railway, from Buffalo to Detroit, was a link for "bridge" traffic between New York and Chicago. The Northern Railway, running from Lake Ontario to Georgian Bay, was a portage road designed to shorten the distances from Chicago and upper lake ports to the St. Lawrence. The Buffalo and Lake Huron Railway, from Goderich to Black Rock, also served the same purpose. Naturally, the rapid westward extension of railways in the United States (by 1858 there were no less than six railways extending to the Mississippi River) stimulated this development in Canada.

In 1852 an act[1] was passed to incorporate the Grand Trunk Railway Company of Canada which provided for the guarantee of the Province, limited to three thousand pounds sterling, for every mile in length of the railway. Another act[2] was passed providing for the amalgamation of all the companies forming the trunk lines from the Lakes to the eastern limits of Quebec, which repealed the Montreal to Kingston and Kingston to Toronto charters upon payment by the Grand Trunk for preliminary expense of surveys and otherwise. Upon the basis of this legislation, the Grand Trunk Railway of Canada was brought into being, and, in 1867 this railway company operated 1,377 miles, extending from Rivière du Loup to Sarnia.

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(1) Statutes of the Province of Canada, 16 Vic., c. 37.

(2) Statutes of the Province of Canada, 16 Vic., c. 39.

In the Maritimes during this period attention was directed toward obtaining a rail link with the Canadas, and hopes were also entertained there that it would be possible to make the traffic from the middle west flow down the Canadian water and rail routes to the ports of St. John and Halifax. The first project, to build a railroad from St. Andrews to Quebec with Imperial assistance, came to naught when the Ashburton Treaty of 1842 established the Maine boundary north of part of the projected route. The idea of the British Government undertaking, or at least lending substantial assistance, in the construction of the railway to connect the Atlantic with the central colonies underlay most of the projects of the period. In 1849 Francis Hincks introduced a bill in the Legislature of Canada for the granting of assistance to the Imperial Government in the construction of a railway between Halifax and Quebec. Howe, in Nova Scotia, made strenuous efforts to obtain financial assistance from the Imperial Government toward the construction of a railway to connect the Maritime Provinces to Canada and toward the construction of a railway to Portland, Maine, in 1851 and 1852, but his efforts in this direction failed. It was not until 1854 that the Nova Scotia Railway was begun as a public work and, in 1867, only 145 miles had been completed at a cost of $44,000 per mile.

Although railways in New Brunswick had been designed to connect St. Andrews with Rivière du Loup, at Confederation only one-third of the distance had been covered, and the railway was in receivers' hands. An arrangement had been made in 1852 for the construction of the European and North American, but this work was taken over by the New Brunswick Government and only that portion lying between Saint John and Shediac (108 miles) was completed in 1860. The remainder of the line was not commenced until after Confederation.

After enunciation of the policy of government assistance in private railway construction contained in the Act of 1849,(3) the financial commitments of the various governments in railway transportation mounted rapidly. The assistance was of different types involving the provincial governments both in direct construction and in guarantees. In 1854 a Municipal Loan Fund was inaugurated as part of the policy of aiding railway construction. The result was that at Confederation the Grand Trunk, the Great Western and Northern Railways were indebted to the old Province of Canada for over $20,000,000 in principal and $13,000,000 for interest, and other roads were indebted to Canadian municipalities for some $10,000,000 in principal, exclusive of interest. Substantial losses had been sustained both by the investors in railway securities and by the public authorities involved in giving financial support.

The extent of railway facilities at Confederation is detailed in Schedule 5. While Quebec and Ontario had limited railway facilities supplementing their canal systems, they were forced to utilize railway facilities giving access to United States' Atlantic ports during the closed season of navigation. In the Maritime Provinces the railway mileage was small and was not connected with the systems of Central Canada. This naturally greatly impaired the chances of success of these railways, and left the Maritimes with no access to the Central Provinces during the closed season of navigation on the St. Lawrence except by road or by rail from a United States port, the closest of which was Portland, Maine.

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(3) An Act to Provide for Affording the Guarantee of the Province to the bonds of Railway Companies on certain conditions and for rendering assistance in the construction of the Halifax and Quebec Railway, effective May 30, 1849. Statutes of the Province of Canada, 12 Vic., c. 29.

There were no railways either in British Columbia or in Prince Edward Island at the time these Crown Colonies joined the Union, although the Prince Edward Island Railway, then under construction, was taken over by the Dominion Government, completed and opened for traffic in May, 1875.

Highways

In the period prior to Confederation public policy with respect to highways was overshadowed by the attention devoted to promotion of canals and railways. Colonization roads were, of course, a necessary part of the development of a new country. Furthermore, the difficulties of maintaining communications between Upper and Lower Canada and Great Britain, through British territory, during the period of closed navigation on the St. Lawrence caused the Imperial Government to consider the construction of military roads. But on the whole, highway construction was given only a very minor place in provincial and national policy before and immediately following Confederation.

At Confederation there was a considerable mileage of main colonization roads in existence particularly in Quebec and Ontario. Some of these roads had been macadamized, others were plank roads, and still others were earth or gravel roads. A few, known as "turnpike" roads, were under the control of trustees who collected tolls for their use. The capital outlay involved in the provision of all such roads is not known definitely, but aggregated several millions of dollars.

2. DEVELOPMENT SINCE CONFEDERATION

A - FEDERAL

Waterways

Since Confederation national policies in respect to canals have been influenced more by the desire to afford economical transportation of grain from Western Canada than by the desire to capture Mississippi Valley traffic. The latter traffic was not disregarded, but traffic to and from Western Canada was eventually the dominant influence. It was recognized that for low grade traffic, especially grain, water transportation was important, if traffic from Western Canada for export were to be retained in Canadian channels, and that improvements in canal facilities beyond those available at Confederation were desirable. The competitive influence of the St. Lawrence water route on railway rates was also a factor influencing canal construction.

Thus the enlargement of the Lachine Canal was undertaken in 1873 and completed in 1884 to a depth of fourteen feet. The Soulanges Canal was constructed between 1892 and 1899, providing for fourteen foot navigation between Lake St. Louis and Lake St. Francis. The enlargement of the Cornwall Canal was commenced in 1876 and completed in 1904, providing fourteen foot navigation around the Long Sault Rapids in the vicinity of Cornwall. The enlargement of the Williamsburg Canals was commenced in 1884 and completed in 1904, thus providing a depth of water of fourteen feet around the series of rapids above Cornwall. An enlargement of the Welland Canal was begun in 1873 and completed to a depth of twelve feet in 1883, and was further improved to a depth of fourteen feet by 1887. The construction of the Sault Ste. Marie (Canadian) Canal was started in 1887 and completed in 1895, and provided for a depth of eighteen feet between Lake Huron and Lake Superior. Hence by 1904 a fourteen foot canal system was made available from Montreal to the head

of the lakes through a system of Canadian canals provided at government expense. Little else has been done to this canal system in the ensuing years beyond the enlargement of the Welland Canal, to provide for a depth of water of twenty-five feet from Lake Ontario to Lake Erie, begun in 1913 and completed in 1932.

The improvements on other canal systems since Confederation have not been extensive in comparison. By 1886 a canal system nine feet in depth was available between the St. Lawrence system and the City of Ottawa. Various sections of the Trent Canal System were completed to provide for six foot depth of water between 1869 and 1887. The Peterborough-Lakefield and Balsam Lake-Lake Simcoe divisions were constructed to provide for a six foot depth of water between 1895 and 1907. St. Peters Canal, connecting the Bras d'Or Lakes and the Atlantic, which was under construction in 1867, was completed to a depth of thirteen feet in 1869 and further enlarged to a depth of eighteen feet in 1881. The St. Andrews Canal, completed in 1910, provided seventeen foot navigation between Lake Winnipeg and the City of Winnipeg via the Red River.

Comparative statistics of canal traffic since Confederation are presented in Schedule 6. The extent to which traffic has dried up on all systems except the St. Lawrence and the effect of the improved American canal at Sault Ste.Marie since the War are clearly evident.

The General Report of the Minister of Public Works covering the period 1867 to 1882 shows that improvements had been made during this period on three hundred ports in the various provinces. Although many of the improvements were made by the municipalities concerned, the public accounts indicate that the Dominion Government continued to spend, each year, considerable sums for the construction and improvement of harbour facilities. A summary of the ports and harbours of Canada is given in Schedule 7. By way of indicating the circumstances surrounding the

development and the capital expenditures involved in Canadian harbours certain of the larger ones of distinctly national or regional importance are briefly discussed hereunder.

Halifax, long known as an important port on the Atlantic and regarded as an important naval base by the Imperial Government, became the ocean terminal of the Intercolonial Railway upon its completion in 1876. Capital was expended in moderate amounts for improvements up to 1911, when an extensive program of development was begun to provide port facilities for the traffic expected to result from the completion of the National Transcontinental Railway.

The port of Saint John, since the completion of the eastern section of the Canadian Pacific Railway in 1890, has been more concerned with the traffic of that road than of the Intercolonial Railway. Capital outlays at Saint John have fluctuated widely. Expenditures were moderate throughout the period 1867 to 1912, but from the latter year to 1917 and again from 1920 to 1922 the outlays were large. With the appointment of the Harbour Commission in 1927, capital expenditures again jumped to an average of $2 million annually for the next five years.

Quebec was early regarded as an important port for ocean-going vessels in the New World. Since the development of the St. Lawrence waterway system, with coincidental deepening of the channel between Quebec and Montreal, more attention has been devoted to Montreal than to Quebec. Nevertheless, extensive capital expenditures were made in 1913-14 related to the National Transcontinental program and again in the period 1924 to 1931 for facilities in the Wolfe's Cove area.

The harbour of Montreal is a great national terminal, which has been developed in conjunction with the St.Lawrence-Great Lakes waterways and the other transportation agencies in Canada to provide for the transfer between ocean-going and inland waterways vessels and between ocean-going vessels and railways.

Although part of the early expenditures of the Montreal Harbour Commission were for dredging the channel below Montreal some capital construction had been paid for directly out of revenues. Consequently the present total of capital outlays was mostly incurred during the first three decades of the present century when extensive improvements, grain elevators and sheds were constructed.

Port Arthur and Fort William, located at the head of the Great Lakes, were developed to provide facilities for the transfer of commodities between railways west of the Lakes and water carriers using the Great Lakes-St.Lawrence route. The records of the Department of Public Works indicate that capital expenditures here were first made in 1884, when the first grain elevator was built. By 1911 the total elevator storage capacity had reached 26 million bushels, and by 1935 there were thirty such elevators having a total capacity of 92 million bushels, which make these ports the greatest grain shipping centre in the world.

The Harbour of Vancouver is a terminal facility of the same character as the harbours of Halifax and Saint John. In 1913 the Vancouver Harbour Commission was organized and immediately afterwards the position of the Port of Vancouver, and with it the policy in respect to provision of capital facilities, were radically altered due to the opening of the Panama Canal. A considerable time was necessary to establish the Vancouver-Panama route for the movement of grain and it was not until 1922 that grain from the Prairies began to move through Vancouver in substantial quantities. The suitability of the route was, however, firmly established, and the policies in providing harbour facilities at Vancouver have since been largely based upon the movement of grain.

A summary of the capital expenditures at these six ports, covering the period ended December 31, 1936, follows.

Harbour	Total Capital Expenditure
Halifax	$26,978,000 (1)
Saint John	21,958,000
Quebec	27,746,000 (2)
Montreal	64,995,000 (2)
Fort William-Port Arthur	17,477,000 (3)
Vancouver	24,358,000 (2)

Dredging operations, now performed almost exclusively by the Dominion Government, have in addition been carried on by various harbour commissions and also as work incidental to canal improvements. Such work has been done rather consistently throughout the period since Confederation in almost every province. The greatest capital outlay has been in improving the St. Lawrence channel between Montreal and Quebec, although the responsibility for this was, until 1888, that of the Harbour Commission of Montreal and so does not appear in the public accounts. The total capital outlay for dredging recorded in the public accounts since Confederation is over $160 million, of which over $70 million was expended in improving the channel between Montreal and the Lower St. Lawrence.

In 1919, negotiations were opened with the United States with a view to co-operating with that country in further improving navigation facilities on the St.Lawrence and the incidental development of electric power. Subsequently, a treaty between the

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(1) Taken from balance sheet of Halifax Harbour.
(2) Annual report of the National Harbours Board.
(3) at March 31, 1937.

two countries relating to the improvement of this waterway system was drawn up but not ratified. It is significant that the traditional Canadian policy of providing canal facilities wholly in Canada was partially abandoned in this treaty which provided for the construction of part of the canal system in the United States.

Railways

Although railway policies prior to Confederation had some regard for local transportation requirements as well as the desirability of effecting closer relations with the Maritime Provinces, they were influenced very greatly by the desire to share in the through traffic incident to the rapid expansion taking place in the United States. After Confederation, the position was materially altered - a decision had been made which necessitated welding together scattered settlements into a political and, if possible, an economic unit.

It is obvious that a railway connection between Central Canada and the Maritime Provinces, could be much shorter by crossing the State of Maine, than by locating a line wholly in Canadian territory. It is also evident that from a strictly railway point of view the most logical connection between the Canadian northwest and British Columbia and Central Canada was by utilizing lines already constructed in the United States with which connections existed at the Ontario-Michigan border. As an alternative, a connection between Central Canada and British Columbia could have been provided by a line running from Sault Ste.Marie through northern Michigan, Minnesota, Manitoba and the Canadian northwest, which would have permitted the tapping of the traffic possibilities of both United States and Canadian territories. Political considerations prevented any such course, as these lines would, in part, have remained outside the political jurisdiction of Canada.

The decision finally reached was to construct the required railway connections wholly through Canadian territory,

although such a policy increased the distance to the Maritime Provinces by 250 miles, and on the western route meant traversing a wilderness and surmounting part of the Pre-Cambrian Shield north of the Great Lakes.

Period 1867 - 1882

The chief influences dominating national railway policies in this period were the Confederation pledges given the Maritime Provinces and British Columbia. The pledge given the Maritimes, set forth in Section 145 of the British North America Act,(4) was implemented by the construction of the Intercolonial Railway, completed in July, 1876, with the financial assistance of the Imperial Government granted under the Canada Railway Loan Act of 1867. By 1882 the Intercolonial Railway embraced 840 miles, including the Riviere-du-Loup Branch purchased from the Grand Trunk in 1879 for the sum of $1 million.

A condition of admission of Prince Edward Island into the Union provided that the railways under contract and in course of construction for the Government of the Island should be the property of Canada.(5) Consequently, the Prince Edward Island Railway was completed by the Dominion Government and opened for traffic in 1875.

The entrance of British Columbia into the Union was also conditioned upon the early construction of a railway connection to eastern Canada.(6) Controversies arose over the delays and manner

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(4) ".....it shall be the Duty of the Government and Parliament of Canada to provide for the Commencement within six Months after the Union, of a Railway connecting the River St.Lawrence with the City of Halifax in Nova Scotia, and for the construction thereof without Intermission, and the Completion thereof with all practicable speed."

(5) Order of Her Majesty in Council dated June 26, 1873.

(6) "The Government of the Dominion undertake to secure the commencement simultaneously, within two years from the date of the Union, of the construction of a railway from the Pacific towards the Rocky Mountains, and from such point as may be selected, east of the Rocky Mountains, towards the Pacific, to connect the seaboard of British Columbia with the Railway system of Canada; and further, to secure the completion of such railway within ten years from the date of the Union..." Order of Her Majesty in Council dated May 16, 1871.

of implementing this pledge, and although construction was begun as a public work in 1874 the task was later turned over to a private corporation, the Canadian Pacific Railway Company, in 1881.[(7)] Under this Act the Government was authorized to grant the Company a subsidy of $25 million in money and 25 million acres of land. Certain construction materials were to be admitted free of duty, and the portions of the line previously constructed as a public work were to be transferred to the Canadian Pacific free of charge. The line was to be completed and equipped on or before the first day of May, 1891.

The original route was proposed to traverse the Yellowhead Pass, but was changed to the more southern route to meet the demands of settlers in the southern area, to shorten the distance to the Pacific Coast and to check possible competition on the part of the Northern Pacific. The decision to construct the Canadian Pacific wholly in Canada, involving a line through the wilderness north of the Great Lakes, was severely criticized. It was suggested that it would be preferable, initially, to use a road running from Sault Ste.Marie through northern Michigan and Minnesota which would attract traffic to Montreal from both the western United States and Western Canada, and that, as traffic conditions justified it, a line might be built through the wilderness north of the Great Lakes. However, the all-Canadian line was completed and opened for operation in 1885.

In the intervening period it was necessary for the Government to modify its arrangements with the Canadian Pacific from time to time to enable it to overcome difficulties, financial and otherwise, which were encountered. The net result, however, was that the railway was completed six years before the time

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(7) An Act Respecting the Canadian Pacific Railway, 44 Vic.c.l.

specified at a cost to the Dominion Government as follows:

Value of property turned over	$37,791,000
Loans........................	$35,000,000
Cash Subsidy.................	$25,000,000
Land Grants, Acres...........	25,000,000 (8)

While the national railway policies during this period were chiefly concerned with implementing Confederation pledges, the routing of Mississippi Valley traffic via Canadian railway routes was still considered a distinct possibility. Consequently, the Dominion Government encouraged the Grand Trunk to obtain a direct entrance into Chicago, (9) and this was attained in 1880.

The investment of the Dominion in railways in 1882, in addition to authorized land grants of 25 million acres, was:

Direct Capital Investment in Railways	$69,738,000
Loans to railways....................	25,607,000

Period 1882 - 1903

In addition to lending further assistance to the Canadian Pacific and extending the Intercolonial, the Dominion now embarked upon a direct cash subsidy policy, coupled with a continuation of the land grants, to stimulate railway construction.

The first subsidy Act, (10) enunciated the policy and provided aid specifically for four railways; one each in Ontario and Quebec, one partly in Quebec and partly in New Brunswick, and one in Nova Scotia. In the next two years, 1883 and 1884, successive

(8) Of this 6,793,014 acres were later returned in exchange for a cash subsidy of $10,189,521.

(9) 42 Vic., c.11, Schedule A, in part reads:

"That amongst the purposes which the Government consider will promote the interests of the Dominion, is the extension, either by the building or purchase of an independent line, or by such other arrangements of a permanent character with other companies as will secure free access to and from Chicago, in the State of Illinois for the through traffic of the Company, etc."

(10) 45 Vic., c.14.

Acts,[11] extended the scope and amount of the cash subsidies. Subsidies were given to assist the Canadian Pacific in rounding out its transcontinental system,[12] and, in fact, the Dominion Government was so desirous of stimulating railway construction in certain districts that it provided subsidies even before the incorporation of companies to carry on the work.[13]

Of particular significance is the special subsidy to the Canadian Pacific known as the Crow's Nest Agreement, set out in Schedule 8 and later referred to in dealing with railway rates. Our reason for this aid was to enable the Canadian Pacific to prevent the Great Northern Railway from invading Canadiam territory.

A different form of subsidy was first introduced in 1889[14] when the Dominion agreed to pay a stipulated sum for a period of years for the carriage of men, materials and mails in return for undertaking construction of the railway. Ten years later (1899),[15] the carriage of government traffic at rates to be agreed between the minister of the department involved and the company, toward the payment of which the Government was to be credited three per cent annually on the amount of the subsidy, was specified, and a similar provision was inserted in all subsidy agreements after this time.

The only case of a Dominion guarantee of securities during this period was in 1888,[16] when $15 million of the Land Mortgage Bonds of the Canadian Pacific were guaranteed in return for the waiver by the Company of the provisions of the 1881 Contract prohibiting the construction of any line south of the Canadian Pacific in the West for 20 years.

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(11) 46 Vic., c.25; 47 Vic., c.8.
(12) E.g., 48-49, Vic., c.58.
(13) 50-51 Vic., c.24.
(14) 52 Vic., c.5.
(15) 62-63 Vic., c.7.
(16) 51 Vic., c.32.

By 1903, the operating loss accumulated by the Intercolonial amounted to nearly $5.4 million, and that of the Prince Edward Island Railway amounted to over $2 million. In contrast, the net earnings of the Canadian Pacific were, on the whole, very satisfactory during the period and increased from $8 million in 1896 to about $14.1 million in 1902.

In implementing its Confederation pledges with regard to railway construction and in pursuing its subsequent policy of stipulating further extensions of the railway network through government subsidies, the Dominion had increased its obligations to the following totals by 1903:

Direct capital investment	$144,105,000
Loans	35,379,000
Subsidies	26,800,000

In addition, the land grants authorized now totalled more than 45 million acres.

Period 1903 - 1916

With the turn of the century and an aggressive immigration policy came the rapid settlement of the Prairies. Capital was abundant and relatively cheap due to the inflow from abroad. The tariff policy adopted in the latter part of the previous century was tending to stimulate east-west traffic. The east was becoming vitally interested in the movement of Western products for export and in supplying the growing west with industrial goods produced in Canada. As a result, the national railway policy became still more expansive.

The Grand Trunk which at this time had a main line extending from Chicago through Canada to Portland, Maine, with a considerable mileage throughout the Provinces of Ontario and Quebec, was looking for some means of participating in the traffic possibilities of Western Canada. Negotiations were carried on between the Canadian Northern and Grand Trunk interests for the

purchase by the latter of the Canadian Northern Western lines, but these were unsuccessful. The Grand Trunk apparently concluded that the only way to obtain the necessary aid from the Dominion Government was to construct a line from North Bay running north of Lake Superior through Canadian territory to the West.

Negotiations with the Dominion Government were begun about 1902, but Dominion assistance could not be obtained on the conditions desired by the Grand Trunk as the Dominion apparently insisted initially on having a railway constructed through northern Ontario and northern Quebec as far as Quebec City. Such a program was, however, not satisfactory to the Maritime Provinces, with the result that a line extending to Moncton was finally prescribed.

The Dominion Government now embarked upon the policy of railway construction as a public work to be operated privately under lease. In the National Transcontinental Railway Act of 1903,(17) the Dominion undertook to complete the line from Winnipeg to Moncton and upon its completion to lease it to the Grand Trunk Pacific Railway Company, a subsidiary of the Grand Trunk. The section of the line from Winnipeg to the Pacific Coast was to be constructed by the Grand Trunk Pacific assisted by Government guarantee of the bonds of the Company up to three-quarters of the cost of construction, provided that, in the case of the Prairie section, such guarantee did not exceed $13,000 per mile.

The immediate effect of this arrangement was to cause both the Canadian Pacific and the Canadian Northern to endeavour to entrench themselves in Western Canada and pre-empt as much of the territory as possible before the construction of the Grand Trunk Pacific got well under way. In the East, the Canadian Pacific decided, instead of utilizing the Grand Trunk connection from

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(17) 3 Edw. VII., c. 71.

North Bay to Toronto, to build a Toronto connection themselves.

The Dominion Government now reverted to the policy (not used since 1888) of guaranteeing, as to principal and interest, the bonds issued by private railway companies for construction purposes in order to give them the benefit of low interest rates derived from the pledging of the credit of the Dominion. In 1903, the bonds of the Canadian Northern not exceeding $13,000 a mile were guaranteed to enable that Company to complete its line to Edmonton.(18) Similar security guarantees were also given in 1905(19) to the Grand Trunk Pacific and in 1908(20) to the Canadian Northern.

In 1910 and 1911, it was apparently considered that the construction of a third transcontinental railway was desirable. As the Canadian Northern already had a considerable network of lines in Western Canada and also controlled certain small railways in Eastern Canada, it was decided to aid this road in its attempt to transform its disjointed system into a transcontinental system. The aid given consisted of the guarantee of securities in respect to the Canadian Northern Alberta Railway Company,(21) and the Canadian Northern Ontario Railway Company.(22) It should be noted that the Dominion Government did not guarantee the bonds of the Canadian Northern Pacific Railway which were guaranteed by the Province of British Columbia,(23) although the Dominion did assist in the construction by cash subsidy.(24)

During the whole of this period cash subsidies were given to railways throughout the country in every year.

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(18) 3 Edw.VII, c.7.
(19) 4-5 Edw. VII, c.98.
(20) 7-8 Edw. VII,c.11.
(21) 9-10, Edw. VII,c.6, as amended by 2 Geo.V, c.8.
(22) 1-2 Geo.V, c.6.
(23) Statutes of British Columbia, 1910, c.3, and 1913, c.59.
(24) 2 Geo.V, c.9.

It was also in this period that the Dominion decided to test out the Hudson Bay route to afford access to the Prairie Provinces and commenced the construction of the Hudson Bay Railway which, however, was not completed for many years.

After the outbreak of War, it became impossible for the Canadian Northern and Grand Trunk Pacific to finance railway developments then in progress even by the issuance of bonds guaranteed by the Dominion Government, and, as a result, the Federal Government made cash loans to these railways to enable them to carry on the construction of the lines then in progress.

By 1916, the financial position of the Canadian Northern, the Grand Trunk Pacific, and the Grand Trunk became so serious that the Dominion Government, deeply involved as it was in the affairs of these companies because of guarantees and cash loans, decided to appoint a Royal Commission[25] to enquire into the situation. The terms of reference of the Royal Commission were broad, and involved an investigation into all aspects of the railway situation in Canada, particularly as it concerned the future national policy regarding the insolvent railways.

The rapid manner in which the financial commitments of the Dominion had been increased in the previous decade and a half is clearly indicated in the following comparative figures.

	1903	1916	Increase
Direct Capital Investment	$144,105,000	$328,267,000	$184,162,000
Loans	35,379,000	99,700,000	64,321,000
Subsidies	26,800,000	73,229,000	46,429,000
Guarantee of bonds as to Principal and Interest (in hands of public)	-	134,007,000	134,007,000

The total obligations of the Dominion at this time with respect to water and rail transportation are shown to amount to some $850 million in Schedule 9. In relation to population the

(25) Order in Council, P.C. 1680, July 13, 1916.

heaviest commitments were in the Maritimes and British Columbia. In the latter Province, the per capita commitment of the Dominion in railway transportation amounted to $166 - more than twice the average for the whole country.

Period 1917 - 1922

This half-decade really constitutes a transition period in which the Dominion was mostly concerned with implementing the recommendations of the Royal Commission.(26) Although construction of the Hudson Bay Railway was continued, and part of the line put into operation, the cash subsidy policy of the Government was terminated in 1918 and railway construction virtually ceased.

In 1917 the Dominion Government was authorized(27) to acquire the capital stock of the Canadian Northern, which was done at a price determined by a Board of Arbitration, and in due course control of this road passed into the hands of the Dominion.

Upon notice being received from the Grand Trunk Pacific that it would no longer be possible for it to continue operation after March 10, 1919, the Minister of Railways and Canals was appointed Receiver for the property.(28) The next year an agreement(29) was made for the acquisition by the Dominion of the entire capital stock of the Grand Trunk Railway Company, the value to be determined by arbitration.

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(26) The Royal Commission submitted its report in 1917, which contained the following recommendations:
"1. That a Board of Trustees be constituted by Act of Parliament and incorporated as "The Dominion Railway Company".
2. That the ownership of the Canadian Northern, Grand Trunk, and Grand Trunk Pacific Railways, be vested in this Company.
3. That the Government assume responsibility to the Company for the interest on the existing securities of these undertakings.
4. That the Intercolonial (including the Prince Edward Island) and National Transcontinental Railways be also handed over by the Government to the Company.
5. That the whole of these railways, the Canadian Northern, the Grand Trunk, the Grand Trunk Pacific, the Intercolonial, and the National Transcontinental, be operated by the Company as one united system."
(27) 7-8 Geo.V, c.24.
(28) Order in Council dated March 7, 1919, confirmed in 9-10 Geo. V, c.22.
(29) Pursuant to 10 Geo.V, c.17.

The Board of Arbitration made its award on September 7, 1921, but the Grand Trunk appealed to the Privy Council from the award, and it was not until dismissal of the appeal on July 28, 1922, that the Dominion Government actually was vested with control of the Grand Trunk Railway Company of Canada.

Thus by the end of 1922, of the total railway mileage in Canada of 39,029 miles, 4,270 miles had been constructed as public works, another 16,410 miles were publicly controlled through purchase or stock control, and 18,349 miles owned and/or controlled by private imterests. The cost of this whole system (both publicly and privately owned) to the Dominion had been tremendous, as the summary of Government commitments below illustrates. Loans in particular had increased by more than

	1922
Direct Capital Investment	$501,994,000
Loans	583,979,000
Subsidies	76,115,000
Guarantee of bonds as to principal and interest (in hands of public)	231,666,000
Guarantee of bonds as to interest only (in hands of public)	216,207,000

$484 million since 1916 and guarantees of interest on bonds had been increased on principal amounts of over $216 million.

From the standpoint of the provinces, however, the Dominion policies had brought some benefits. They were in effect relieved of their guarantee of railway securities to the following extent, since the Dominion has met the guarantees as they became operative.

Ontario	$ 7,860,000
Manitoba	24,390,000
Saskatchewan	17,904,000
Alberta	18,394,000
British Columbia	25,026,000
Total	$ 93,574,000

Period 1922 - 1936

As a result of the national railway policies carried out during the period 1917 - 1922, the Dominion stood in an entirely different relationship to railways at the end of the period than it had at the beginning.

The Dominion, as owner of 53 per cent of the railway mileage in Canada, now directed its attention to co-ordinating into one system the acquired competitive systems and the railways constructed as public works.

Both the Canadian Northern and Grand Trunk were, at the time of their acquisition, in very much inferior physical condition than the Canadian Pacific, and very large capital outlays were made to raise the standard of these lines as well as to provide additional modern equipment to handle the traffic. These capital outlays were made not only on the lines in Canada, but, to a substantial extent, also on the Grand Trunk lines in the United States.

So onerous had the railway financial burden become, that, as the country began to experience the full impact of the world-wide economic depression, it was again considered necessary to appoint a Royal Commission[30] to investigate the whole question of transportation in Canada in 1931. In the report of this Commission,[31] a summary of the capital expenditures of the Canadian National Railways in the period 1923 -,1931 is presented. These figures are contained in Schedule 10, and amount to a total of more than $456 million. The largest items were for additions and betterments to roadway and equipment, but branch line construction amounted to something over $73 million and acquisitions to about $19 million, exclusive of the investment in the Northern Alberta Railways acquired jointly with the Canadian Pacific. The provincial distribution of branch line construction expenditure shows almost $31 million of the total of $71 million in Canada to

(30) Order in Council, P.C. 2910, dated November 20, 1931.
(31) "Report of the Royal Commission to Inquire into Railways and Transportation in Canada, 1931-2", King's Printer, 1932.

have been spent in Saskatchewan.

The Royal Commission recommended a policy of co-operation between the Canadian National and Canadian Pacific Railways and concluded their report with the following warning:

> " Unless the country is prepared to adopt the plan we have proposed, or some other equally effective measures, to secure the efficient and economical working of both railway systems and thereby not only reduce the burden on the federal treasury but improve the financial position of the privately-owned railway, then the only courses that would be left would be either to effect savings in national expenditures in other directions, or to add still further to the burdens under which the industries of the country are suffering by the imposition of yet further taxation..." (32)

Thereafter, capital outlays on the Canadian National have been greatly curtailed. On the Hudson Bay Railway, however, whose line was completed in 1929, extensive terminal facilities, including a grain elevator with a storage capacity of 2,000,000 bushels, have been provided at Churchill.

From 1922 to 1936, no cash loans or guarantees were made to any railway other than the Canadian National except

i - the temporary guarantee of a $60 million loan of the Canadian Pacific which was discharged during the period,

ii - advances made to the Canadian Pacific for work undertaken to alleviate unemployment,

iii - the purchase of equipment for the Canadian Pacific Railway.

Nevertheless, at the end of 1936, the Dominion had assumed a gross financial obligation in the railways of the country in excess of $2.9 billion. This total was made up as follows:

Advances and Subsidies....................	$1,686,267,000
Bonds....................................	1,047,128,000
Canadian National Bonds not Guaranteed....	164,205,000
Unpaid balance on purchase of Northern Alberta Railways..........................	2,790,000
	$2,900,390,000

(32) Report of the Royal Commission to Inquire into Railways and Transportation in Canada 1931-2, page 67.

Of this amount, $823,816,000 had been written off by the end of 1936.

The total Dominion obligations for water and rail transportation facilities at the end of 1936 has been allocated between regions, as shown in Schedule 11. The allocation of investment in waterways is on the actual basis of expenditure of Government funds, but for railways the total has been allocated on the basis of known average costs per mile of railway facilities in the different regions. The total of the railway investment includes, in addition to amounts expended on railways now owned by the Dominion, the Government's investments (subsidies, etc.) in other railways not owned. The total amount approximates $3.5 billion before write-offs, or $316 per capita on average. The greatest per capita investment has been made in British Columbia, although it is not accurate to draw the conclusion from this that British Columbia per se has benefited more than the other provinces from Dominion expenditures on transportation, for a large part of the facilities in all regions were constructed to benefit the nation as a whole.

A review of the growth in railway mileage relative to population increase in each region since Confederation is presented in Schedule 12. The tremendous extension of railway mileage in the Prairies compared with the more less static situation in the Maritimes and Quebec since the turn of the century is clearly demonstrated.

Traffic statistics for Canadian railways are given in Schedule 13. Freight traffic, as measured in ton miles reached a peak in 1928 while passenger miles have been declining almost steadily since 1920. The effect of the business depression on railway freight traffic is illustrated by the low level reached in 1933, when ton miles were under the 1913 level and almost 50 per cent below the 1928 peak. On a per capita basis, ton miles in 1933 were approximately at the 1908 level. The division of traffic by main groups between the different regions is given in

Schedule 14 for the years 1928, 1933, and 1936.

Highways

At Confederation the responsibility for highway development, except for military roads and certain other roads of a special character, was by consent considered to be a matter of provincial and municipal responsibility. Consequently, the Dominion has been far less directly concerned with the development of highways than with the other forms of transportation.

In the early years, however, the Dominion Government incurred some expense in the provision of highways incidental to canal construction, the cost of which has been included with that of the canals. Some of the roads so constructed, which formed convenient links in interprovincial highways, were turned over to the respective provinces or municipalities involved. Special aid was also granted in the form of cash subsidies toward the construction of highway bridges across interprovincial and international rivers, or rivers where navigation requirements were important. In some instances, too, the Dominion provided ferry services connected with certain highways. The total of all such Dominion expenditures is not now readily ascertainable, but would be very small in relation to commitments to other forms of transportation in the same period.

With the rapid expansion in the use of the motor vehicle which came during the War of 1914-18, exemplified in the growth of registrations shown in Schedule 15, the Dominion again became interested in highway construction. Under the Canada Highways Act, 1919,[33] cash subsidies were provided in the form of proportionate grants toward the construction of highways considered to be of interprovincial character. A total of $20 million was granted in this manner toward the construction of provincial highways during

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(33) 9-10 Geo.V, c.54.

the subsequent nine years, distributed as follows:

Prince Edward Island	$ 604,000
Nova Scotia	1,469,000
New Brunswick	1,164,000
Quebec	4,748,000
Ontario	5,877,000
Manitoba	1,602,000
Saskatchewan	1,806,000
Alberta	1,478,000
British Columbia	1,252,000
TOTAL	$20,000,000

At the expiration of this grant the Highways Branch of the Department of Railways and Canals was eliminated.

Only a few years later, the necessity of providing relief work to counteract somewhat the effects of the depression forced the Dominion Government again to make expenditures for highway construction. The total of such expenditures under unemployment relief acts, in the period 1930-37, amounted to slightly more than $42.5 million. Included in this sum is $19 million for the Trans-Canada Highway, designed to run from the Atlantic to the Pacific entirely in Canadian territory.

Certain capital outlays have also been made by the Dominion Government for the construction of roads within Dominion National Parks. At December 31, 1936, there were 778 miles of such highways which still remain under the jurisdiction of the Dominion Government.

Airways

The recent development of civil aviation leaves it still with a relatively minor place in the whole field of Canadian transportation. Statistics illustrating the rapid growth of civil aviation in recent years are presented in Schedule 16. Yet this new facility will undoubtedly have an important bearing upon the transportation problem of the future.

Realization of the possibilities of air transportation grew out of the very rapid development of military aviation during the War of 1914-18. In Canada the great distances and the location

of important natural resources in remote regions led naturally to the use of air transportation to avoid the heavy capital outlay required to construct long railways and highways through virgin territory. At first the Dominion Government was concerned primarily with exercising some control over the new form of transportation, and did not engage directly in the provision of facilities other than those for the military and forestry services.

In 1928, a survey was begun to lay out a Canadian transcontinental airway. During the worst depression years construction of the intermediate areodromes on this line was undertaken as an unemployment relief measure. The provision of the required meteorological and other services ancillary to flying were undertaken by the Government, which also adopted the policy of assisting municipalities in the construction of their airports.

In 1937, prior to completion of the airway facilities, an operating company, the Trans-Canada Air Lines, was incorporated.[34] to provide service on the airway. The Company is controlled jointly by the Dominion Government and the Canadian National Railways. With the beginning of operations of this Company, therefore, the Dominion Government assumed a direct role in the development of air transport service as well as in the provision of facilities.

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(34) 1 Geo. VI, Cap. 43.

B - PROVINCIAL

Railways

There is no statutory evidence of Prince Edward Island having chartered or extended any aid to railways since Confederation.

In Nova Scotia provincial aid was granted to private interests in the form of subsidies, loans and guarantees to foster construction of railways connecting various centres of population within the Province and to aid in developing the natural resources, principally coal. A subsidy act in 1911 provided for assistance to electric railway companies which proposed to serve localities where the traffic was insufficient to support a steam railway. To some extent prior to 1900, but particularly in the first decade of the twentieth century, both the provincial and Dominion governments granted subsidies to the same companies. In many instances, these were in effect feeders for the Intercolonial, which eventually absorbed many of them. By 1916, the granting of provincial aid to railways had virtually terminated.

After Confederation, a considerable number of railway charters were granted in New Brunswick, mostly for the construction of colonization roads. Subsidies and direct investment in their securities were the means of aiding the railways adopted alike by the Province, the counties and various municipalities. Between 1881 and 1900 many railways were subsidized both by the Province and the Dominion. Usually the help of the Dominion was given several years after that of the Province, indicating the exhaustion of the latter before the construction was completed as a general procedure. After 1900, loans and guarantees became the more common form of provincial assistance in place of direct subsidies. The outstanding example of involvment of the Province through its guarantee of railway securities was that of the

Saint John and Quebec Railway which the Province was forced to take over in 1915 and assume responsibility for completion of the line. Bond issue after bond issue was sold under the provincial guarantee in order to pay for construction and meet deficits. Negotiations for the sale of the railway to the Dominion took place in 1925 and in 1929 it was sold to the Canadian National.

In Quebec, the 150 provincial railway charters granted since Confederation resulted in the actual construction of some 15 railways. Until 1899 provincial subsidies were either in cash or in land convertible into cash. Since then, however, the provincial assistance has consisted largely of land grants not convertible into cash. Throughout the period since Confederation, most of the Quebec subsidies have been for the purpose of aiding construction of colonization lines, In the promotion of many of these lines the Dominion has complemented the assistance of the Province with aid, usually in the form of cash subsidies. Since 1904 most of subsidy acts of both the Province and the Dominion have changed or added to grants previously made, and were not on behalf of new ventures.

Railway charters were granted very liberally in Ontario, until 1914, but since that time only nine have been granted. The policy of lending provincial aid in the construction of railways to open up undeveloped parts of Ontario was explicitly stated in 1870.[35] A moderate number of cash subsidies were granted up to 1897 and from that date until 1911 a more liberal policy was in effect whereby the number of subsidies was increased and land grants were often coupled with cash assistance. From 1888 to 1912 there were many instances where both the Province and the Dominion subsidized the same roads.[36] In 1902,

(35) Statutes of Ontario, 34 Vict., c. 2. .
(36) Statutes of Ontario, 2 Edw. VII, c. 9.

Ontario embarked directly upon the construction of a colonization road, the Temiskaming and Northern Ontario Railway, extending from North Bay northward toward James Bay. Construction was financed by the issue of securities guaranteed by the Province, bonds issued directly by the Province, a Dominion cash subsidy of more than $2 million,(37) and a provincial land grant of 20,000 acres per mile of line, including branches. In 1925(38) the T. and N.O. purchased the stock of the Nipissing Central Railway and through the latter extended its line across the Quebec boundary to Rouyn Township two years later. Although the T. and N.O. has always shown an operating profit, it was not able to meet all its financial charges, and a special commission was appointed to investigate the situation in 1934. The report of this commission shows the extent of the interest of the Province in the railway as follows:

Direct liability - Bonds issued by Province...	$30,207,935
Accrued interest to Oct. 21, 1933............	8,181,840
Temporary advance to be funded by railway......	7,050,000
Indirect liability - long term debt guaranteed by Province...............................	6,000,000
	$51,439,775

In contrast somewhat to the Eastern Provinces, the railway aid policy of Manitoba has been dominated just as much by the desire to improve the connections of the Province with the outside world as to develop its internal economy. By 1888, no less than four charters granted by the Province had been disallowed by the Dominion because they contravened the monopoly provision in the agreement with the Canadian Pacific. Accordingly, to overcome this difficulty, the Dominion persuaded the Canadian Pacific to give up the monopoly provision in return for a guarantee of their bonds. To assist in the internal development of the Province, Manitoba early adopted the policy of guaranteeing railway securities in addition to granting subsidies and giving the municipalities power to do the same. Aid in railway construction was given on several

(37) 3-4 Geo. V, c.53.
(38) Statutes of Ontario, 15 Geo. V, c.22.

occasions in the attempt to open up the lignite coal fields of the Prairies. Typical of attempts to improve the connections of the Province externally is the interest taken in the Hudson Bay route. In 1886,[39] aid was provided for the construction of the line to Hudson Bay but was repealed three years later. In 1890,[40] a cash subsidy was authorized for such a line and the Dominion Government also agreed to lend its assistance. Similarly, the several guarantees given to the Canadian Northern after 1900, and the lease by the Province of the Northern Pacific and Manitoba Railway with others in 1901[41] and immediate sublease to the Canadian Northern,[42] indicate the extent to which Manitoba was willing to go to encourage a competitive line to Port Arthur. By 1916, the bond guarantees by the Province to the Canadian Northern totalled $25 million.[43] Since 1914 the only aid authorized to railways by Manitoba has been a guarantee to the Manitoba Northern Railway, given in 1926,[44] for a line from the Hudson Bay Railway to Flin Flon, and one for a line north of the Winnipeg River. A significant feature of many of Manitoba's earlier subsidy grants and guarantees has been a concomitant stipulation regarding the level of the rates to be charged by the railway.

Coming into existence as a Province only in 1905, Saskatchewan did not participate in assisting railway construction during the period when cash subsidies and land grants were common. Nevertheless, in the period 1906-13, Saskatchewan enacted 17 statutes incorporating railways and gave numerous guarantees to the Canadian Northern and Grand Trunk Pacific and their subsidiaries, usually at the rate of $13,000 per mile, for the

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(39) Statutes of Manitoba, 49 Vic. c.25.
(40) Statutes of Manitoba, 53 Vic. c.41.
(41) Statutes of Manitoba, I Edw. VII, c.38.
(42) Statutes of Manitoba, I Edw. VII. c.39.
(43) Report of the Royal Commission to Inquire into Railways and Transportation in Canada 1917, page xv.
(44) Statutes of Manitoba, 16 Geo.V, c.39.

construction of branch lines. The taking over of these railways, by the Dominion Government relieved the Province of a total guarantee liability of almost $18 million.

The history of railway assistance by the Province of Alberta, as far as the Canadian Northern and Grand Trunk Pacific are concerned, is similar to that of Saskatchewan, and the amount of guarantees of which the Province was relieved by the Dominion also approximated $18 million. With certain other railways, however, Alberta had become even more deeply involved. The Alberta and Great Waterways Railway was incorporated in 1909 [45] by the Provincial Government which guaranteed the bonds of the railway to the extent of $20,000 per mile. The Edmonton, Dunvegan and British Columbia Railway, which obtained a Dominion charter in 1907, [46] was assisted on several occasions by provincial bond guarantees, [47] usually to the extent of $20,000 per mile, and by a Dominion subsidy. [48] A subsidiary, the Central Canada Railway, was assisted in the same manner, and eventually both it and the Edmonton, Dunvegan and British Columbia were given direct loans by the Province. In 1920, these railways defaulted their interest payments and the Provincial Government appointed the Canadian Pacific [49] to operate the system for a period of five years. In 1926 the Province, having now acquired full control of the properties, terminated the agreement with the Canadian Pacific and took over operation of the railways itself. [50] At about the same time, the Province undertook the construction of the Pembina Valley Railway [51] as a branch line. In the meantime, the

(45) Statutes of Alberta, 9 Edw. VII, c.46.
(46) 6-7 Edw. VII, c.85.
(47) Statutes of Alberta, 2-3 Geo.V, c.16; 5 Geo. V, c.27; 5 Geo. V, c.21.
(48) 6-7 Geo.V. c.1.
(49) Statutes of Alberta, 11 Geo. V, c.56.
(50) Statutes of Alberta, 16-17, Geo. V, c.61.
(51) Statutes of Alberta, 16-17, Geo.V, c.62.

Provincial Government had also acquired control of the Alberta and Great Waterways Railway.(52) During the whole period from 1920 to 1929 all of the above railways had been a continual drain on the provincial treasury through the necessity for frequent loans, so in the latter year they were sold jointly to the Canadian National and Canadian Pacific(53) and the Northern Alberta Railways Company was incorporated(54) to hold and operate the properties. This terminated the direct interest of the Province in the ownership of railways. Since 1929, the annual deficits of the Northern Alberta Railways have approximated $1 million.

After the substantial land grant set aside in 1880(55) to aid in construction of the Canadian Pacific, British Columbia railway policies followed along the same lines as those of the other provinces which joined the union at the outset. Numerous railway charters were granted, land grants were made, subsidies given and securities guaranteed. For the most part the assistance appears to have been given with a view to furthering the internal development of the Province. With the advent of the Canadian Northern, however, the emphasis seems to have been more on the extension of the through routes and the provincial guarantees were increased greatly from the previous amounts. In 1910,(56) the Province agreed to a guarantee of the securities of the Canadian Northern Pacific Railway to the extent of $35,000 per mile for 600 miles, later raised to $40,000 per mile. Further similar guarantees were given to this Company, so that by 1916 the total amount of Canadian Northern securities guaranteed by British

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(52) Statutes of Alberta, 11 Geo. V, c.54.
(53) Statutes of Alberta, 19 Geo. V, c.55.
(54) 19-20 Geo. V, c.48.
(55) Statutes of British Columbia, 43 Vic. c.11.
(56) Statutes of British Columbia, 10 Edw. VII, c.3.

Columbia was nearly $40 million.[57] In 1912, an ambitious attempt was begun to provide a direct route for Grand Trunk Pacific traffic from its northerly line to Vancouver, to open up the central part of the Province, and eventually to furnish an outlet to the Pacific for Peace River traffic by connecting with the Edmonton, Dunvegan and British Columbia. This involved the incorporation of the Pacific Great Eastern Railway,[58] and an agreement[59] by the Province to guarantee the bonds of the railway to the extent of $35,000 per mile, later increased to $42,000 per mile, for 480 miles. Two years later a similar guarantee[60] was given at $35,000 per mile for a 330 mile extension from Fort George toward the Peace River. The railway was not completed in 1915 as contemplated, further difficulties in financing it were experienced, and in 1918 the Province took over the railway in an unfinished state.[61] Further construction and operating deficits until 1933 have made necessary repeated loans to the railway by the Province. At the end of 1937, the indebtedness to the Province, including accrued interest, amounted to more than $70 million and $20 million funded debt of the road is guaranteed by the Province.[62]

Highways

Although the provinces from time to time had incurred expenditures for colonization roads, it was not until the advent of the motor vehicle that the provision of highway facilities began to demand more than the occasional attention of provincial authorities. Until the War of 1914-18, road construction was

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(57) Report of the Royal Commission to Inquire into Railways and Transportation in Canada, 1917, page xv.
(58) Statutes of British Columbia, 2 Geo. V, c.36.
(59) Statutes of British Columbia, 2 Geo. V, c.34.
(60) Statutes of British Columbia, 4 Geo.V, c.65.
(61) Statutes of British Columbia, 8 Geo.V, c.66.
(62) Statistics of Steam Railways of Canada, Dominion Bureau of Statistics, Ottawa.

left largely in the hands of the municipalities and, in fact, it was not until about 1919 that the rapidly expanding use of motor vehicles (see Schedule 15) was responsible for initiating the improved highway systems entailing heavy capital expenditures. The construction of such roads as now became necessary was beyond the economic strength of the municipalities, so the provinces naturally stepped in rapidly to assume the burden and also to avail themselves of the new sources of tax revenue which the motor vehicle provided.

At the end of 1936, the total provincial investment in highways, excluding that undertaken as relief work, amounted to \$523.5 million before write-offs, and the estimated municipal debt incurred for roads and bridges amounted to \$352.9 million - a total of \$876.4 million. A rough estimate of the total construction cost of all highways, including urban streets, amounts to \$1.5 billion, indicating that substantial expenditures for highway construction have not been capitalized or are not now reflected in highway debt because of retirements.

The highway system which has been developed by these expenditures is shown in Schedule 17. About 20 per cent of the total mileage is classified as surfaced road, although most of this consists of gravel.

In Prince Edward Island motor vehicle registrations first passed the thousand mark in 1919, and in the following year, in order to take advantage of Dominion assistance under the Canada Highways Act, provincial highway appropriations first exceeded \$100,000 and reached \$750,000 in 1924. Most of the money was expended on bridge construction and was provided by the issue of debentures. In 1928 all roads were placed under the jurisdiction of the Minister of Public Works and Highways. For the most part, construction has been financed through the issue of debentures secured by license fees and gasoline tax revenue. Such

highway expenditures have apparently not been excessive, for by the end of 1936, the total was $1,421,000; only about 8 per cent of the total highway mileage was surfaced.

Nova Scotia early came to the assistance of the municipalities in road maintenance, and in 1911 directed the Commissioner of Public Works and Mines to make a survey of the highways in order to determine the most effective improvement program to be carried out by the Province. From this time to the end of the War motor vehicle registrations increased rapidly (see Schedule 15), and various acts were passed by which the Province assumed more responsibility for road construction and maintenance and took over most of the highway and motor vehicle revenue sources. In 1920 came the first really substantial allocation of provincial funds for highway purposes when loans in excess of $11 million were raised for road construction and purchase of machinery. For the next five years no substantial loans were made for construction purposes but annual appropriations for maintenance and debt service averaged about $1 million annually. In 1926, the administration of the highway system was shifted from the former Provincial Highways Board to the Minister of Highways. In the ensuing years highway expenditures have been substantial, particularly since 1934, so that the total by the end of 1936 stood at $40,086,000. In 1937 over $1 million was expended on bridges and ferries, and at the end of the year the Province had surfaced about one-third of its total highway mileage.

Although nominal appropriations had been made previously for road maintenance and patrol, in 1913 New Brunswick first provided for an annual expenditure of $100,000 for the construction of permanent highways, and in 1917 borrowing for this purpose was first authorized. To the end of 1927 expenditures for construction fluctuated between $1 million and $2 million. In 1926, the highways were all placed under the direct control of the Chief Highways Engineer, subject to the Minister of Public Works. Expenditures

increased greatly after 1927, and although they were sharply reduced in the period 1932-34, extensive borrowing took place, so that at the end of 1936 provincial investment in highways was $49,980,000. The proportion of surfaced roads to the total was approximately 61 per cent in 1937.

Prior to 1907, Quebec practically restricted its highway expenditures to colonization roads and bridges, but in that year small annual grants to the municipalities were authorized. In 1912 the Province undertook to guarantee the interest and sinking fund payments of municipal highway loans up to an aggregate amount of $10 million and established a roads department under the Minister of Roads and Agriculture. No construction program of any magnitude was undertaken by the Province prior to 1918; however, in the ensuing years expenditures mounted rapidly. In 1923, a Department of Roads was established. The division of responsibility for maintaining the different classes of roads was changed several times although this now rests largely with the Province. The present division of responsibility for construction is given in Schedule 18. By the end of 1936, the highway investment of the Province amounted to $100,533,000. Slightly over half the total road mileage had been surfaced.

In Ontario the provincial development of the highway system began earlier and proceeded further than in the other provinces. In 1901 a Highway Improvement Act was passed in which the Province appropriated $1 million to cover direct work on highways and grants to the municipalities and again in 1907 this was done. The Highways Act of 1915 provided for the extension of provincial aid in varying proportions to the construction and maintenance of county, suburban, and trunk highways, and created the highway department under the Minister of Public Works and Highways. In 1917 the Province expressly assumed responsibility for roads designated as provincial highways and stipulated the proportion of

the expenditure which was recoverable by the Province from the municipalities and counties on "provincial suburban" and "provincial county" roads. In 1919 the sum of $5 million was set aside from the consolidated revenue fund for highway improvements and from that time forward heavy annual expenditures were made, reaching a peak of approximately $44 million in 1934. The total investment at the end of 1936 was $203,802,000. During the period under review, the proportionate payments for construction and maintenance by the Province, municipalities and counties have been changed many times, but the general tendency has been to increase the share borne by the Province. The various authorities who now construct highways and their sources of funds are summarized in Schedule 18. As a result of the ambitious highway program of the Province, Ontario now has the highest proportion (nearly three-quarters) of its roads surfaced of any of the provinces.

Manitoba took the first steps toward assisting the municipalities in highway construction in 1912, when provision was made for provincial grants and guarantee of municipal securities. In 1914 various classes of roads were defined and provincial assistance set at different proportions of the cost for each class. At this time, too, the Provincial Treasurer was authorized to raise $2.5 million for this purpose by issuing debentures. In 1924-25 the responsibility of the Province was attached principally to designated trunk highways although one-third of the cost of work done in the municipalities through which these highways pass may be recovered from them. The various authorities responsible for highway construction are more fully set forth in Schedule 18. The total highway investment by the end of 1936 was about $18,393,000. At this time Manitoba, although in a better position than the other Prairie Provinces, had a much smaller proportion of its roads surfaced than any of the Eastern Provinces except Prince Edward Island.

Although Saskatchewan turned over its authority for highway construction to the municipalities in 1910 when they were organized, two years later the Province authorized the raising of $5 million for highway construction and improvement through the sale of debentures. In 1915 similar authority was given with no limit on the amount, and in 1917 the Department of Highways was constituted with general control over all highways. Use of motor vehicles was taken up rapidly in Saskatchewan --- by 1915 the number of registrations was second only to Ontario and the Province retained this position until 1922. Besides assuming responsibility for provincial highways and main market roads the Province also grants assistance to municipalities for the construction of local market roads. Saskatchewan has by far the greatest road mileage of any province (see Schedule 17), although a very small proportion of the total has yet been surfaced. The total investment in highways at the end of 1936 was $27,510,000.

When the Province of Alberta was constituted in 1905, roads were considered to be under the control of the Department of Public Works. The Public Highways Act of 1918 classified the highways of the Province and allocated the proportionate responsibility of the Province and the local authorities for each class. Reclassification and reapportionment of responsibility has taken place several times since then, with the result that the Province now constructs the main highways and the municipalities the local roads with provincial assistance. Similar to Saskatchewan, only a very small portion of the total highway mileage has been surfaced. The provincial highway investment stood at $33,127,400 at the end of 1936.

In British Columbia substantial sums were appropriated in several years of the period 1908-20 for "roads, streets, bridges and wharves", but it is not possible to determine now what part of these were for strictly highway purposes. In 1920 the highways were

classified and the Province made responsible for 75 per cent of expenditures for construction and maintenance of primary roads, for 50-75 per cent of construction and 40 per cent of maintenance of secondary roads, and the municipalities made wholly responsible for local roads. The same year saw the passage of the first of a series of acts authorizing the issue of provincial debentures to raise funds for highway purposes. The Highways Act of 1930 re-classified the roads somewhat, and raised the Province's share of the expense on arterial highways to 100 per cent. Highway investment at the end of 1936 was $48,412,000.

Municipal highway debt at the end of 1936, by provinces, was as follows:

	$ Million
Prince Edward Island	1
Nova Scotia	7.5
New Brunswick	3.1
Quebec	104.1
Ontario	149.2
Manitoba	13.9
Saskatchewan	14.4
Alberta	15.4
British Columbia	44.3
TOTAL	$352.9

3. PROJECTED DEVELOPMENTS 1939-48

Government Investment in Transportation Facilities at 1937

While the investment of various government bodies in owned transportation facilities in Canada does not measure the total expenditures of these governments for transportation purposes, it is still worth noting that such investments amount to more than $3.6 billion net. The details of estimated investments in different types of facilities by the Dominion, provincial and municipal governments at the end of 1936 are set forth in Schedule 19.

The largest item is the investment in railways, exceeding $2.1 billion, of which the Dominion's responsibility is about 93 per cent. The estimated highway investment is approximately $855 million, practically all of which is for the account of the provinces and municipalities. The investment in waterways, all on behalf of the Dominion, exceeds $585 million. At the present time investment in airways represents only an infinitesimal part of the total for all kinds of transportation.

Estimated Dominion Commitments, 1939-48

Based largely on past experience, an estimate has been prepared covering the probable capital and current financial requirements of the Dominion for the transportation facilities which it owns. The estimates are believed to be conservative, predicated as they are on the assumptions that general business will not expand beyond the 1928-29 level and that only a normal increase in population will take place with no extensive immigration. In short, the economic development of the country is anticipated to be characterized by consolidation rather than expansion.

The major item of capital construction contemplated on the waterways is the completion of the St. Lawrence system for 27 foot navigation. On the basis of the plans proposed under the unratified treaty of 1932 with the United States, the Dominion Government was to be responsible for an expenditure of $105 million

of which it was to be repaid $67 million for power developments by the Province of Ontario. Therefore, the probable net capital expenditure of the Dominion has been estimated roughly at $40 million. From the report of Sir Alexander Gibb in 1932 on the harbours of the Dominion and the $36 million expenditure made between 1931-37, it is estimated that the total requirement for the next ten years should not exceed $15 million. Dredging charged to capital account in the next decade is not expected to exceed the unexpended balance of $10 million appropriated for the deepening of the St. Lawrence below Montreal. Thus the total amount estimated for capital expenditure on waterways is $65 million.

Railway commitments are assumed to be confined to the least possible assistance to the Canadian National consistent with maintaining the earning power of the railway. Past experience indicates that improvements to road and equipment will average an annual capital outlay of $9 million, or a total of $90 million for the period. On the assumption of average annual operating revenues not exceeding $240 million, it is estimated that a capital outlay of $30 million will be required for new equipment during the period, in addition to that purchased with funds charged to earnings for retirements of $7.5 million a year. Although some branch lines will doubtless be abandoned in the next ten years, continued expansion of the mining industry in Canada will require the building of others. Consequently the sum of $20 million has been included to cover capital expenditures for such branch lines. The expenditure for grade separation has been set at $20 million although this is somewhat less than the experience of the past 15 years would indicate, because the latter included very heavy expenditures for work in Montreal, Toronto and Detroit. As some concentration in population is probable in the next decade, it is assumed that outlays for the improvement of terminal facilities will have to be made and the sum of $10 million is estimated for this purpose. An item of $5 million has been included to cover miscellaneous capital items which are bound to be required. Thus the total capital outlay for railways is estimated at $175 million.

It is assumed that the Dominion Government will not undertake the acquisition or control of provincial highways so that Dominion expenditures on owned facilities in this field will be limited to the highways in national parks. On the basis of a total expenditure of about $8.5 million on these roads in the past, it is estimated that the requirement for the ensuing ten years should not exceed $10 million.

The Dominion has so far adopted an aggressive policy in the provision of facilities for civil aviation, and had expended up to 1937 approximately $6 million for this purpose. The Canadian National Railways, and indirectly the Dominion, also has a contingent liability in respect to Trans-Canada Air Lines. The trend of expenditures for civil aviation during the next decade depends upon the progress of aviation itself and the extent to which the ~~Dominion decides to~~ become involved in the provision of land facilities and in the operation of air services. As an estimate, however, capital requirements of the order of $3 million per annum, or $30 million for the whole period, are visualized as a possibility.

A summary of these estimated capital requirements follows. They do not include any possible capital outlays connected with unemployment relief programs.

Facility	Estimated Capital Expenditure 1939-48
Waterways	$ 65,000,000
Railways	175,000,000
Highways	10,000,000
Airways	30,000,000
Total Dominion Outlay	$280,000,000

The estimated expenditure on current account for the next ten years is considerably larger than that on capital account above. Dominion revenue from transportation is estimated at $47 million for the period, based on the experience of the ten years ending in 1937. Details of the revenue items are presented in Schedule 20. Expenditures have been estimated in the same manner, and are shown in detail in Schedule 21. The reasons for minor adjustments to the actual expenditures of the preceding decade when projected over

the period 1939-48 are given in footnotes on the schedule, but major changes are discussed herewith. The largest single item of expenditure in the past has been the Canadian National deficit, which has averaged nearly $37 million annually over the period 1928-37. On the assumption that there will be no changes in rates, wages and prices over the next ten years, and that increased revenues and rigid control over expenses will prevail, the average annual deficit has been estimated at a reduced figure of $30 million. The actual harbour commissions' deficits shown in Schedule 21 cover only the two fiscal years 1936-7. On the assumption that replacements of facilities charged to current operations will exceed the obtainable revenues, an allowance of $5 million annually has been made to cover such deficits. The Dominion outlay for mail subsidies and steamship subventions has been increasing, so that with the prospect of expanding air mail subsidies in the future, an annual expenditure of $2.5 million instead of the past average of $1.8 million has been estimated. For civil aviation past experience is of little help even if accurate figures were available. Consequently the estimate of a total expenditure of $8.8 million in the next ten years has been made largely on the basis of information kindly supplied by the Department of Transport.

The total of all these estimated expenditures for the ten year period amounts to approximately $600 million. After deducting the estimated revenue to the Dominion in this period, therefore, the net expenditure on current account is estimated at $553 million. It is worth noting that this sum is slightly more than twice the estimated expenditure on capital account previously noted.

Estimated Provincial and Municipal Commitments, 1939-48

As the provinces and municipalities have yet no extensive investments in either waterway or airway facilities, discussion of probable financial requirements of these governments is limited to railways and highways.

The only provincially owned steam railways now are the Temiskaming and Northern Ontario and its subsidiary and the Pacific Great Eastern. Capital requirements on the Temiskaming and Northern Ontario in the next ten years are estimated to total about $1,250,000, which is slightly more than was expended in the past ten years. Its subsidiary, the Nipissing Central, will probably require much less capital in future than in the past decade when it was still in the construction stage, so $500,000 is estimated to be ample to meet the requirements of this railroad. Under the assumption that the Pacific Great Eastern will remain in more or less static condition during the next ten years no capital outlays have been considered justified.

The Hamilton Street Railway, which is owned by the Province of Ontario, showed an increase in the investment in road and equipment of over $2 million in the past decade, but in view of the trend toward substitution of bus service for that of electric railways it is considered that a maximum capital requirement for this road in the next ten years would be $1 million. There are also 17 municipalities in Canada which own and operate electric railways. Although investment in these increased about $8 million in the period 1928-37, a total capital requirement of not more than $7 million is estimated for the next decade.

Public demands for highway improvements in the next ten years are bound to be heavy. Proximity to the United States means that invidious comparisons are drawn between the highways in Canada and the widespread network of high grade highways there. Furthermore, motor vehicle ownership in Canada will doubtless increase and this will tend to force the expenditure of public funds on highways regardless of the financial strength of the various authorities. Moreover, as motor traffic increases, the necessary highway improvements tend to become more expensive because of the greater capacity and higher standard of highways required. Consequently, it appears to be a fair assumption that provincial highway expenditures in the next ten years will certainly not be less than in the past decade, and may easily be considerably greater. On the basis of the figures

compiled by the Dominion Bureau of Statistics,[1] expenditures for highway construction during the period 1928-37 have been as follows:

Province	Expenditure for Highway Construction 1928-37
	(Millions of Dollars)
Prince Edward Island	$ 4(2)
Nova Scotia	38
New Brunswick	41
Quebec	79
Ontario	222
Manitoba	12
Saskatchewan	31
Alberta	24
British Columbia	38
TOTAL	$489

Some additional expenditures will be made by municipalities on their own account, but in view of the trend toward assumption of more and more of the burden by the provinces, it is estimated that municipal expenditures in the next ten years will not be greater than half the amount of provincial capital outlay. Consequently, on the assumption that the provinces will spend approximately the same amount as in the past ten years, the total capital expenditure on highways by both provinces and the municipalities will be approximately $734 million.

Total capital commitments of the provinces and municipalities in the period 1939-48, as estimated above, are summarized herewith:

Facility	Estimated Capital Expenditure, 1939-48
Steam railways	$ 1,750,000
Electric railways	8,000,000
Highways	734,000,000
TOTAL	$743,750,000

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(1) The Highway and Motor Vehicle in Canada, 1937.

(2) Estimated. Dominion Bureau of Statistics reports total expenditures for construction and maintenance 1928-37 at approximately $6 million.

Expenditures on current account by the provinces and municipalities, unlike those of the Dominion, are considerably smaller in total than the estimated capital expenditures. Based on an average annual profit (before interest to the province) of $782,000 for the Temiskaming and Northern Ontario and $12,000 for the Nipissing Central, over the past ten years, it is estimated that Ontario should receive approximately $8 million in income from these railways in the next ten years. The Pacific Great Eastern shows an average annual loss before interest to the province of about $1 million over the past ten years. It is assumed that British Columbia will be faced with making up deficits of the same order in the period 1939-48.

Net income of the Hamilton Street Railway has averaged $105,000 a year in the period 1928-37, and is assumed to continue at a rate of about $100,000 annually in the near-term future. Similarly, net income of the municipally owned street railways has averaged $2.4 million annually in the past decade, and they are assumed to be capable of repeating this performance for another ten years.

The inaccurate segregation of capital and current expenditures in the provincial and municipal records of highway expenditures increases the difficulty of making any reasonable estimates for the future. However, on the basis of data compiled by the Dominion Bureau of Statistics for the whole period 1919-37, highway maintenance expenditures averaged about 42 per cent of construction expenditures. On the assumption that this same relationship holds for the next ten years, in relation to the total estimated highway construction expenditure of $734 million, therefore, maintenance expense would total about $308 million. In total, therefore, current expenditures on transportation in the next ten years are estimated to approach $335 million.

Facility	Estimated Current Expenditures 1939-48	
Steam railways	$ 2,000,000	
Electric railways	25,000,000	income
Highways	308,000,000	
TOTAL	$335,000,000	

PART II - GOVERNMENT POLICIES OF CONTROL

1. DIVISION OF JURISDICTION

For administration purposes "capital" transportation facilities, previously the property of the Provinces of Canada, New Brunswick and Nova Scotia, were placed under the jurisdiction of the Dominion Department of Public Works in 1867.[1] The Department of Marine and Fisheries was organized in 1868[2] with jurisdiction over fisheries, pilots, aids to navigation, harbours and piers, etc. In 1879,[3] the Department of Public Works was divided, the jurisdiction over railways and canals being given to the new Department of Railways and Canals. The administration of civil aviation, first given to an appointed Air Board in 1919, was transferred to the Department of National Defence upon its formation in 1923 and in 1927 was placed under the Civil Aviation Branch of that department. In 1936, the Department of Transport was created[4] and took over the functions of the Department of Railways and Canals, the Department of Marine and the Civil Aviation Branch.

Provincial administration of highway matters has changed many times in the different provinces. A number of the most important changes are mentioned in a previous section and the present authorities responsible for highway construction are given in Schedule 18.

In the section immediately following, Dean Vincent C. MacDonald, K. C., presents opinions on the division of jurisdiction now existing in various fields of transportation.

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(1) 31 Vic., c. 12.

(2) 31 Vic., c. 57.

(3) 42 Vic., c. 7.

(4) 1 Edw. VIII, c. 34.

LEGISLATIVE JURISDICTION AS TO TRANSPORTATION

Provisions of B.N.A. Act.

91.... it is hereby declared that (notwithstanding anything in this Act) the exclusive legislative authority of the parliament of Canada extends to all matters coming within the classes of subjects next hereinafter enumerated, that is to say:--

(2) The Regulation of Trade and Commerce.
(10) Navigation and Shipping.
(13) Ferries between a province and any British or foreign country, or between two provinces.
(29) Such classes of subjects as are expressly excepted in the enumeration of the classes of subjects by this Act assigned exclusively to the legislatures of the provinces.

And any matter coming within any of the classes of subjects enumerated in this section shall not be deemed to come within the class of matters of a local or private nature comprised in the enumeration of the classes of subjects by this Act assigned exclusively to the legislatures of the provinces.

92. In each province the legislature may exclusively make laws in relation to matters coming within the classes of subjects next hereinafter enumerated, that is to say:--

(10) Local works and undertakings, other than such as are of the following classes:--

(a) Lines of steam or other ships, railways, canals, telegraphs, and other works and undertakings connecting the province with any other or others of the provinces, or extending beyond the limits of the province;
(b) Lines of steamships between the province and any British or foreign country;
(c) Such works as, although wholly situate within the province, are before or after their execution declared by the parliament of Canada to be for the general advantage of Canada or for the advantage of two or more of the provinces.

(13) Property and Civil Rights in the Province.
(16) Generally all Matters of a merely local or private nature in the Province.

132. The parliament and government of Canada shall have all powers necessary or proper for performing the obligations of Canada or of any provinces thereof, as part of the British Empire, towards foreign countries, arising under treaties between the empire and such foreign countries.

LEGISLATIVE JURISDICTION AS TO TRANSPORTATION.

Preliminary Note as to S. 92, No. 10.

Head 29 of S. 91 and head 10 of S. 92 "have the effect of reading the excepted matters (in head 10) into the preferential place enjoyed by the enumerated subjects of S. 91".[2] The excepted "works or undertakings" mentioned in clause (a) and (b) of S. 92, No. 10 are thus within the exclusive jurisdiction of Parliament as if they were expressly enumerated heads of S. 91 and the "works" mentioned in clause (c) pass to the exclusive jurisdiction of Parliament upon the making of the necessary "declaration".[3]

A. Water Transportation.

(1) "Navigation and Shipping".

The title to the beds of all navigable waterways is vested in the Crown in the right of the Provinces subject to the public right of navigation; and, being so subject, the Provinces cannot grant away or extinguish that right by any grant of the soil or otherwise, or authorize any structures therein which interfere with navigation.[4]

The Dominion's power to legislate in relation to "Navigation and Shipping" is one to be widely construed.[5] It operates to give Parliament the power of management and protection over the public right of navigation wherever it exists,[6] and to prescribe rules for vessels navigating Canadian waters as to such matters as the law of the road, lights to be carried, how vessels

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(2) Radio Case (1932) A.C. at 314.

(3) Montreal v. Montreal St. Ry. (1912) A.C. at 339, 342; A.G. Alberta v. A.G. Canada (1915) A.C. at 367; Montreal Harbour Case (1926) A.C. at 311; Rex v. Red Line Ltd. 66 O.L.R. at 68.

(4) See cases collected in 11 C.E.D. (Ontario) pp.89-95. The King v. Ship Woldingham (1925) Ex. C.R., 85.

(5) First Fisheries Case (1898) A.C. at 713; Montreal Harbour Case (1926) A.C. at 312-3.

(6) Second Fisheries Case (1914) A.C. 153.

are to be registered, evidence of ownership, title, and transmission of interests in such matters.[7] It is more than a regulative power; it includes the exclusive right to declare what shall be an interference with navigation, and to control all works erected in navigable waters;[8] and the exclusive power to authorize the building of works which would otherwise constitute an obstruction of, or interference with, navigation,[9] and to cause or authorize the construction of works in navigable waters for the advantage or improvement of navigation;[10] e.g., dams, piers, breakwaters, etc.; the power to take and establish as public highways of navigation such waterways as it sees fit,[11] to expropriate a public harbour[12] or lands bordering on a river for the widening of its channel;[13] and it extends to dredging operations for the improvement of navigation. However, the power "does not in its essence include the power to authorize the permanent occupation of provincial lands for harbour works, or to best the bed of a river belonging to a Province in a Board of Harbour Commissioners for harbour purposes; such a power, if it exists, is in the nature of an ancillary power, and can only be exercised upon the condition of paying compensation".[14]

As to many of the matters of navigation conservation and improvement above indicated Parliament has long asserted jurisdiction by the enactment of The Navigable Waters Protection Act much of which was contained in an Act held intra vires in the First Fisheries Case.[15]

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(7) McMillan v. Southwest Boom Co. (1878) 1 P. & B.715; Re Lake Winnipeg Transportation, Lumber and Trading Co. (1891), 7 M.R. 255, 259.
(8) In re Provincial Fisheries (1895) 26 S.C.R. 444,538,576; First Fisheries Case (1898) A.C. at pp.716, 717.
(9) In re Provincial Fisheries Reference, supra. at p.515; Queddy River Boom Co. v. Davidson (1883) 10 S.C.R. at pp.233,235; Hewson v. Ontario Power Co., 36 S.C.R. at p.603; The Queen v. Fisher(1891) 2 Ex.C.R. 365; pp.372-3; A.G. for New Brunswick v. C.P.R. (1925) 94 L.J.P.C. 142; Ireson v. Holt (1913) 30 O.L.R. 209; The King v. The Ship Woldingham, supra.
(10) Booth v. Lowery (1916) 54 S.C.R. at pp.424, 428, 433; Smith v. Ontario and Minnesota Power Co. (1918) 44 O.L.R. at p.49.
(11) Fort George Lumber Co. v. G.T.P.R.Co. (1915) 24 D.L.R. at 528.
(12) Attorney General for Canada v. Ritchie, 52 S.C.R. at 95, 111; The King v. Tweedie (1914) 15 Ex. C.R. at 199.
(13) The King v. Bradburn (1913) 14 Ex. C.R. 419.
(14) Reference re Waterpowers (1929) S.C.R. at 214 citing Montreal Harbour Case (1926) A.C. at 312-3.
(15) (1898) A.C. 700.

The Statute of Westminster 1931 has removed all external restrictions upon the power of the Dominion Parliament to legislate in relation to Navigation and Shipping.[16]

The provinces may validly legislate as to waterways qua property belonging to the province, and for their use and enjoyment by the public and riparian owners, and the protection of them from pollution, obstruction, etc. and their general regulation as agencies of provincial transportation and trade and of those who use them for such purposes.[17] But a province cannot authorize any impediment or obstruction to navigation.[18]

(2) "Lines of Ships".

The Dominion has authority under S. 92, No.10 to legislate in relation to (a) "lines of steam or other ships..... connecting the province with any other or others of the Provinces or extending beyond the limits of the Province" and in relation to (b) "lines of steam ships between the Province and any British or foreign country".

The distinction between clauses (a) and (b) apparently is that under (a) the line if non-local in that it "connects" one province with another or "extends" beyond a province into some other territory, whether a province or otherwise; whereas under (b) the line must run between a province and some territory outside of Canada.

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(16) See now The Canada Shipping Act, 1934, and The Admiralty Court Act, 1934.
(17) See e.g., The Lakes and Rivers Improvement Act, R.S.O. 1937, c.45; The Nova Scotia Water Act, R.S.N.S., 1923, c.26; Clement p.707; LeFroy, Const. Law, p.201.
(18) Reference re Waterpowers (1929) S.C.R. 200, answer to Questions 8 and 9 and cases in footnote 9.

Under these provisions the Dominion may incorporate shipping companies having as their object the operation of ships plying from one province to another or from a province to some territory outside Canada; but it is for the provinces to control transport by ships entirely within a province and to incorporate companies for such provincial purposes.(19)

(3) "Canals".

Under S. 92, 10 (a) the Dominion may legislate as to "canals.....connecting the Province with any other or others of the Provinces, or extending beyond the limits of the Province".

By force of S. 109 the Dominion acquired the exclusive property interest in all the canals then existent in Canada together with the land on which they were situate and whatever waterpowers were then connected therewith and also has legislative jurisdiction over them under S. 91, No. 1, "The Public Debt and Property".

What is said hereinafter as to the power to legislate as to non-local railways and to incorporate railway companies and endow them with powers, e.g. to expropriate property, etc., will apply to the power to legislate in re non-local canals under S. 92, No. 10 (a). It is enough here to note that the power to legislate as to non-local canals and canal companies is a plenary and exclusive power and has been said to extend to the taking and occupation of provincial Crown property and to the determination of the route of a canal and the effectual provision for the construction and operation of it on the route determined.(20)

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(19) Macdougall v. Union Navigation Co. (1877) 21 L.C. Jur.63; Re Lake Winnipeg Transportation Co. (1891) 7 Man.L.R. 255. Cf. Union Navigation Co. v. Couillard (1875) 7 R.L. 215. As to logging and boom companies and the charging of tolls thereby see McMillan v. Southwest Boom Co. (1878) 17 N.B.R. 715; Ireson v. Holt Timber Co. (1913) 30 O.L.R. 209; Queddy River Co. v. Davidson (1883) 10 S.C.R. 222. Cf. Arrow River Co. v. Pigeon Timber Co. (1932) S.C.R. 495.

(20) Reference re Water Powers (1929) S.C.R. 200.

Jurisdiction as to canals entirely within the body of a province is vested in the province as "local works" under S. 92, No.10. A canal entirely intra-provincial in situs may come under Dominion jurisdiction if part of a continuous canal system or if a unit of a non-local or interprovincial "undertaking" whereunder the several local units are operated or controlled as an integer by one management.[21] In addition any intra-provincial canal may be transferred to Dominion jurisdiction by parliamentary declaration.[22]

(4) "Harbours".

By virtue of S. 108 and the Third Schedule to the B.N.A. Act "public harbours" became the property of the Dominion,[23] i.e. places to which, on the relevant date, the public had access as a harbour and which they had actually used for that purpose; the relevant date being the date when the B.N.A. Act came into effect, or the date at which the Act became applicable to each of the provinces subsequently entering the Union.[24] Whether a given body of water was a public harbour, and what were its limits, and constituent parts, are questions of fact.[25]

The Dominion has exclusive jurisdiction to legislate as to such public harbours, and as to works constructed therein by the Dominion subsequent to their acquisition, by virtue of S. 91, No.1, "The Public Debt and Property".[26]

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(21) Luscar Colliers, Ltd. v. McDonald (1925) A.C. 925; Radio Case (1932) A.C. at 315; Clement, Canadian Constitution, p.748.
(22) Under S. 92, No.10 (c) as to which see Section F. infra.
(23) Clement, Can.Const. pp.386-8, 604.
(24) A.G. Canada v. Ritchie Contracting Co. (1919) A.C. 999.
(25) See generally LeFroy, Constitutional Law, note 382, page 266; Clement, Can. Const. pp.606ff.; A.G.Canada v. A.G. Provinces (1898) A.C. 700; A.G.B.C. v. C.P.R. (1906) A.C.204; McDonald v. Lake Simcoe Ice Co. (1899) 31 S.C.R. 130; Kennelly v. Dom.Coal Co. (1904) 36 N.S.R. 495; Hadden v. N.Vancouver(1922) 1 W.W.R. 655; R v. A.G.Ontario (1934) S.C.R. 133; Jalbert v. The King (1937) S.C.R. 291,296.
(26) As to the power of the Dominion to extend the limits of a harbour and to authorize the permanent erection of works on the foreshore and to vest the land within the extended limits in Harbour Commissioners and the necessity of paying compensation therefor see Montreal Harbour Case (1926) A.C. 299.

As to the management of public harbours see The Government Harbours and Piers Act, R.S.C. 1927, c.89 and The National Harbours Board Act, 1936, c.42.

(5) "Ferries".

"Ferries between a Province and any British or foreign country or between two Provinces" are within the exclusive jurisdiction of the Dominion under S. 91, No.13, by virtue of which Parliament may legislate for the establishment of such ferries or grant, by license or otherwise, an exclusive right to any such ferry.(27) Ferries entirely within a province are within provincial jurisdiction,(28) subject to conforming to Dominion legislation in re Navigation and Shipping.

B. Railway Transportation.

S. 92, No. 10(a) vests in parliament exclusive jurisdiction to legislate in re "railways.....and other works and undertakings connecting the Province with any other or others of the Provinces, or extending beyond the limits of the Province".

(a) Classes of Railways.

The jurisdiction over the class of railways mentioned in S. 92, No.10 (a) is vested in the Dominion exclusively as if expressly enumerated in S. 91.(29)

Section 92, No. 10 (a) envisages two classes of railways which are within Dominion jurisdiction as being non-local works or undertakings:

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(27) In re International and Interprovincial Ferries (1905) 36 S.C.R. 206.
(28) Dinner v. Humberstone (1896) 26 S.C.R. 252; Longuevil Nav.Co.v. Montreal (1888) 15 S.C.R. 566.
(29) See footnote 3 supra.

(1) Railways which possess the features of extra-provincial connection or extension in the physical sense, e.g., a line physically extending across a provincial boundary line or connecting with a railway in another province, or, semble, in another country. This does not include a railway locally situate within a province and connecting physically with another railway within the province which latter does extend beyond the province or connect with other lines outside the province.(30)

(2) Railways which though entirely situate within a province are part of a continuous system operated together by one management and connecting one province with another or others and which thus form part of a non-local "undertaking" within S. 92, No.10 (a).(31)

Works and undertakings of the character indicated in cl. (a) of S. 92 (10) are usually established and managed by companies. Such of them as extend actually or potentially beyond the limits of a province are not provincial objects for the establishment, control and operation of which a provincial company can be incorporated.(32) Actual or constructive extension beyond the limits of a province is a necessary feature of the work or undertaking in order to confer jurisdiction upon the Dominion concerning same or to incorporate companies with objects in relation thereto. As to the incorporation of companies it is the potential scope of the authorized objects and not the area of their actual exercise or operation which determines the character of the work or undertaking as being federal, and where the authority conferred covers works or undertakings which may extend beyond the limits of a province, such works or undertakings are therefore non-local and fall to the exclusive jurisdiction of the Dominion.(33)

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(30) B.C. Elect. Ry.Co. v. C.N.R. (1932) S.C.R. 161.
(31) Luscar Collieries v. McDonald (1927) A.C. 925; Radio Case (1932) A.C. at 315; Clement p.748; Cf. B.C. Elect. Ry.Co. v. C.N.R. supra.
(32) See Clement, p.731.
(33) Colonial Bldg. Ass. v. A.G. Quebec (1883) 9 App.Cas.at p.165; Toronto v. Bell Telephone Co. (1905) A.C. at p.57 (telephone company); Kerley v. London & Lake Erie R. etc. Co., 13 D.L.R. 365, 15 C.R.C. 337 (railway company): Hewson v. Ontario Power Co., 36 S.C.R. 596 (water power company).

Accordingly, railways which are entirely situate within a province, and which do not form part of an extra-provincial undertaking, are within the exclusive jurisdiction of the province, as is the incorporation of companies for their construction and operation.[34] There is no reason to doubt that the provinces, which have jurisdiction over provincial railways, may themselves, or by means of Commissions created by them construct and operate such railways and expend public revenues therefor, just as they have done in respect of hydro-power and the liquor traffic. Nor does there seem any reason to doubt that a province may invest its funds in the stock of a Dominion railway company operating in the province; but quaere whether it could do so as to one not so operating.

Provincial railways may by declaration under S. 92, No. 10(c) be brought within the exclusive jurisdiction of Parliament.[35] Jurisdiction over federal railways whether initially vested in the Dominion under clause (a) or acquired by declaration under clause (c) is a plenary and exclusive jurisdiction to legislate in relation to such railways.

(b) Jurisdiction as to Railways.

Parliament has the exclusive right to prescribe regulations for the construction, repair and alteration of a Dominion railway, and for its management, and to dictate the constitution and powers of the railway company; and by legislation ancillary to railway legislation it may regulate the relations of employees to the company even though in doing so it curtails their civil rights.[36]

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(34) Grand Junction Ry. v. Peterborough (1881) 6 O.A.R. 339. See e.g. Ontario Railway Act, R.S.O. (1937) c.259. As to whether a Province can authorize the construction or operation of railways extending to the Provincial border where they may or probably will, connect with a railway in another Province or in the United States see LeFroy, Const.Law, p.129 and cf. Ex. p. Marks (1872) Stevens N.B. Dig. 137; Clement, pp.771-2.

(35) Montreal Street Ry.Case (1912) A.C. at 339. As to this declaratory power see Section F. infra.

(36) C.P.R. v. Notre Dame de Bonsecours (1899) A.C. at 367; G.T.R. v. A.G. Canada (1907) A.C. 65; Macdonald v. Riordan, 30 S.C.R. 619 held that the Dominion could prescribe the qualifications etc. of directors of Dominion companies.

It is of the essence of the power to define the course of the railway and to authorize the working of it along that course without regard to the ownership of the lands through which it may pass, and the Dominion, therefore, may authorize a Dominion railway company to acquire by purchase or expropriation all property necessary for its corporate purposes, even property vested in the Crown in the right of a province.(37)

The general nature of the Dominion's jurisdiction over a Dominion railway on the one hand, and its subjection to general provincial law on the other hand is illustrated by the following passage:

> "The British North America Act, whilst it gives the legislative control of the appellants' railway qua railway to the Parliament of the Dominion, does not declare that the railway shall cease to be part of the Provinces in which it is situated, or that it shall, in other respects, be exempted from the jurisdiction of the Provincial Legislatures. Accordingly, the Parliament of Canada has exclusive right to prescribe regulations for the construction, repair, and alteration of the railway, and for its management, and to dictate the constitution and powers of the company; but it is, inter alia, reserved to the Provincial Parliament to impose direct taxation upon those portions of it which are within the Province, in order to the raising of a revenue for provincial purposes. It is obviously in the contemplation of the Act of 1867 that the "railway legislation", strictly so called, applicable to those lines which were placed under its charge should belong to the Dominion Parliament". (38)

Provincial legislation may affect Dominion railways in various ways but it must not be "railway" legislation. Thus provincial legislation regulating the structure of a ditch forming part of the authorized works of the railway has been held incompetent as being "railway legislation";(39) but the province may legislate for the cleaning of such a ditch and the removal of an obstruction causing flooding of neighboring land,(40)

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(37) See Toronto v. Bell Telephone Co., (1905) A.C. 52; Hewson v. Ontario Power Co., 36 S.C.R. 596; G.T.R. v. A.G. Can.(1905) 5 C.R.C. at 6-7, 7 C.R.C. 472; Boland v. C.N.R. (1925) 56 O.L.R. 653, at p.664, 57 O.L.R. 619, (1927) A.C. 198; Re International & Interprovincial Ferries (1905) 36 S.C.R. at 217; A.G.B.C. v. C.P.R. (1906) A.C. 204; A.G. Quebec v. Nipissing Ry.Co. (1926) A.C. 715; Reference re Waterpowers (1929) S.C.R. 200. As to the taking of lands of a provincial railway see Clement, pp.770-1.

(38) C.P.R. v Notre Dame de Bonsecours, supra.

(39) Ibid.

(40) Ibid.

though it cannot require a Dominion Company to maintain fences of a certain kind under penalty of being liable in damages for cattle straying upon its lines.[41] Similarly provincial legislation is ultra vires as "railway" legislation relating to the physical works of Dominion railways, etc. when imposing liability for fires caused by the escape of sparks from locomotives,[42] making regulations as to the crossing or alterations of the road bed of a Dominion railway,[43] purporting to authorize a provincial railway to make a level crossing over a Dominion railway,[44] or prescribing the manner in which railway frogs should be packed.[45]

On the other hand provincial legislation has been held competent in relation to Dominion companies when directed to the protection of property from fires,[46] to the taxation of Dominion railway works within a province,[47] or subjecting a Dominion railway to provincial Workmen's Compensation or Fatal Injuries Acts,[48] or, semble, a Contributory Negligence Act.[49]

The power of the Dominion in relation to Dominion railways comprehends plenary power as to everything which is "railway legislation" strictly so called,[50] and extends to legislation necessarily incidental to effective exercise of the power over railways, i.e., the power extends to "railway" legislation and legislation ancillary thereto.[51] Thus the Dominion may, as ancillary to railway legislation, prohibit any Dominion railway

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(41) Madden v. Nelson & Fort Sheppard Ry. (1899) A.C. 626.
(42) C.P.R. v. The King (1907) 39 S.C.R. 476. See also R v. C.P.R. (1914) 33 O.L.R. 248 re Municipal regulation as to smoke.
(43) G.T.R. v. Therrien (1900) 30 S.C.R. 485.
(44) A.G. Alberta v. A.G. Canada (1915) A.C. 363. Cf. C.P.R. v. N.P.Ry. Co. 5 Man. L.R. 301.
(45) Monkhouse v. G.T.R. (1883) 8 O.A.R. 637. Cf. Washington v. G.T.R. 24 O.A.R. 183 (1890) A.C 275.
(46) Grant v. C.P.R. (1904) 36 N.B.R. 528.
(47) C.P.R. v. Notre Dame de Bonsecours, supra.
(48) Sincennes - McNaughton Lines Ltd. v. Bruneau (1924) S.C.R.168; Can.Southern Ry. v. Jackson (1890) 17 S.C.R. 316. As to whether a Provincial Mechanics' Lien Act can be made to apply to such a company see MacMurchy & Denison, Railway Law, 3rd ed., p.74.
(49) Littley v. Brooks (1932) S.C.R. 462; but as to accidents occurring on the old Intercolonial Railway see C.N.R. v. St.John Motor Line Ry. (1930) S.C.R. 482.
(50) C.P.R. v. Notre Dame de Bonsecours supra; Reference re Water-powers (1929) S.C.R. 200.
(51) See Montreal St. Ry. v. Montreal (1910) 43 S.C.R. at pp.238-48; LeFroy, Const. Law, note. 234.

from contracting itself out of liability to pay damages for personal injury to its servants,[52] and require municipalities to pay a share of the cost of providing safeguards for railway crossings.[53] But the Dominion cannot require a railway under provincial jurisdiction to enter into a prescribed agreement with a railway under Dominion jurisdiction as to the rates to be charged by the provincial railway on "through traffic" originating on the Dominion railway, the same not being "necessarily incidental to the exercise by the Parliament of Canada of its undoubted jurisdiction and control over federal lines".[54]

C. Highway Transportation

In 1900 the Supreme Court of Canada declared: "It has never been doubted that the right of building highways, and of operating them, whether under the direct authority of the Government or by means of individuals, companies or municipalities, is wholly within the purview of the provincial legislatures, and it follows that whether they be free public highways or subject to a toll authorized by legislative enactment, they are none the less within the provincial power".[55]

In 1932 a Royal Commission on Transportation, presided over by the present Chief Justice of Canada, remarked that: "Under the constitution of Canada regulation of road transportation falls within the exclusive jurisdiction of provincial authorities".[56]

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(52) G.T.R. v. A.G. Canada (1907) A.C. 65.
(53) Toronto v C.P.R. (1908) A.C. 54. As to Parliament's jurisdiction to prohibit, authorize or require the crossing of Dominion railways by highways or other railways or structures, or to order the erection of protective structures, and to require companies, municipalities and persons affected thereby to contribute to the cost of such works or to make compensation for loss caused thereby: see MacMurchy & Denison, pp. 83 et seq., 375 et seq., and Toronto Ry. v. Toronto (1920) A.C. 426; B.C. Electric Ry. v. V.V. & E. Ry. (1914) A.C.1067; C.P.R. v. T.T.C. (1930) A.C. 686; in Re C.P.R. & York (1898) 25 O.A.R. 65; Can. Elect. Assn. v. C.N.R. (1932) S.C.R. 451, (1934) A.C.551; Toronto v. Forrest Hill (1932) S.C.R. 602; Toronto v. G.T.R. (1906) 37 S.C.R. 232.
(54) Montreal v. Montreal Street Ry. (1912) A.C. 333.
(55) O'Brien v. Allen (1900) 30 S.C.R. at 342-3.
(56) Paragraph 167 - "It was provided by the B.N.A. Act that all transportation agencies, the operations of which extend beyond the confines of any province should be subject to the jurisdiction of the Parliament of Canada, while those operating within one province should remain subject to provincial jurisdiction". (Appendix, p. 75).

The power of a province to control highway transportation is very wide; for highways vested in the provinces under S. 109 as matter of property, and a province may legislate as to highways as "local works" within S. 92, No.10, and under its powers as to "the incorporation of companies with provincial objects", and as to "property and civil rights in the province", and as to "all matters of a merely local or private nature in the province". Undoubtedly the provinces may create public highways or declare the public right of passage to exist over any highway or vest the soil of highways in municipalities (57) or others, may close or divert same, and regulate in the most comprehensive way the conditions under which they may be used, the kind of vehicles which may use them, and whether their user shall be free or subject to tolls, and, generally, may control their physical structure and operation and regulate traffic thereon. There is no doubt also that in their aspects as instrumentalities of <u>local</u> trade and commerce the provinces may regulate the highways and the vehicles which use them and companies incorporated for intra-provincial transportation of persons or goods, even if such regulation has an incidental effect on trade beyond the provinces.

On the other hand the Dominion has the exclusive power to regulate interprovincial and external trade (59) under its Trade and Commerce power and, by legislation which "relates" to such trade, may well have a measure of control over vehicles which use provincial highways in the carriage of goods from one province to another or to the United States. Any such Dominion legislation must be <u>trade</u> regulation as opposed to highway regulation; and any control asserted over provincial highways and the

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(57) Vide e.g. The Municipal Act, R.S.O. 1937, c.266, SS.453-5; The Public Highways Act, R.S.N.S. 1923, c.75, S.47.

(59) No stress is placed herein on the Dominion's power of "<u>general</u>" regulation of trade because of the great uncertainty as to its scope.

carriage of freight thereover must relate strictly to the control of them as agencies of trade or be necessarily incidental thereto. It may well be doubted whether the Dominion may control the rates to be charged by provincial transport companies for transport over provincial highways, even when the goods are destined for another province; for an attempt to control rates on a provincial railway in respect of "through traffic" passing from it to a Dominion railway was held to be ultra vires in the Montreal Street Railway Case[60] as not being ancillary to Dominion railway legislation nor as to Trade and Commerce regulation. This "dual control" of local traffic, i.e. by the provinces as local traffic and by the Dominion when part of a "through traffic", was deprecated and the exclusive authority of the provinces to regulate traffic (local or through) on provincial railways was affirmed; the Dominion being left to control it as it passed over Dominion railways. Similarly, the Dominion cannot regulate transportation by the device of regulating the business or trade of those persons who in a province engage in transportation as an occupation.[61] On the other hand the Dominion can, and the provinces cannot, incorporate companies whose purpose is interprovincial transportation.

Apart from the devices to be mentioned in the next paragraph, the competency of the Dominion to control highway transportation rests on (1) its power to incorporate companies, (e.g. Motor bus or motor truck companies) authorized to engage in transportation beyond the limits of a province - which companies would be subject to provincial regulation as to their user of provincial highways, etc., and (2) its power to regulate Trade and

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(60) (1912) A.C. 333.
(61) See The King v. Eastern Terminal Elevator Co. (1925) S.C.R. 434 and Opinion No. 5 passim.

Commerce in its interprovincial or external trade aspects,[62] - a power the successful exercise of which, in relation to transport agencies and their manner of operation, is a matter of legal delicacy.

The Dominion may by the expenditure of public funds construct highways and obtain legislative jurisdiction thereover under S. 91, No.1, "The Public Debt and Property"; and, if they extend beyond a province, obtain jurisdiction under S. 92, No.10 (a) as well. It would seem that the Dominion may incorporate a company or commission empowered to construct and operate interprovincial highways and for that purpose confer power to expropriate private property or even Crown property.[63] It is possible also that it may be able to incorporate such a body authorized to construct or acquire highways, each locally situate within a province, but to be managed and operated together as units of one non-local "undertaking" within the meaning of S. 92, No.10(a).[64] The Dominion, undoubtedly, may secure legislative jurisdiction over highways locally situate in a province by declaring them to be for "the general advantage" and would then be able to deal with them exclusively _qua_ "works"; though, like railways, they would be subject to provincial laws of general application.[65] Each of these methods it will be noted involves the acquisition of jurisdiction over _highways as such_. With such jurisdiction so acquired and the jurisdiction under S. 91, No. 2 to regulate Trade and Commerce in its interprovincial and external aspects it may well be that the Dominion could effectively regulate highway transportation in Canada. Without such highway jurisdiction it is pretty certain that it cannot regulate highway transport agencies effectively.

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(62) See footnote 59.
(63) See footnote 37.
(64) See footnote 31.
(65) See footnotes 38 _et seq_. and Section F _infra_.

D. Bridges.

Bridges forming part of a railway are within the exclusive jurisdiction of the Dominion or the provinces accordingly as the railway is Dominion or provincial. Similarly, bridges which form part of a provincial highway are within provincial jurisdiction exclusively. Bridges which extend beyond the limits of a province, e.g. across an interprovincial or international river, are within Dominion jurisdiction as non-local works under S. 92, No.10(a), whereas bridges entirely within a province are within provincial jurisdiction as local works.(66) Bridges over navigable waters, whether provincial, interprovincial or international in character, are subject to the exclusive jurisdiction of the Dominion insofar as they may affect the navigation of such waters, and can only be constructed with the approval of the Governor General in Council under the Navigable Waters Protection Act.(67)

E. Air Transportation.

By a "Convention Relating to the Regulation of Aerial Navigation", the terms of which "include almost every conceivable matter relating to aerial navigation",(68) made in 1919 and ratified by His Majesty on behalf of the British Empire in 1922, obligations were imposed on Canada, for the performance of which it enacted the Air Board Act of 1919,(69) and pursuant thereto in 1920 issued detailed "Air Regulations". It was held in the Aeronautics Case, supra, that the Dominion by virtue of S. 132 of the B.N.A. Act had all powers necessary or proper for performing the obligations imposed by the Convention, and pursuant thereto had validly enacted the Aeronautics Act and the Air Regulations, which provided for the regulation in a general and comprehensive way of aerial navigation in Canada and its territorial waters.

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(66) A.G. New Brunswick v. C.P.R. (1925) 94 L.J.P.C. 142.
(67) See The King v. The Ship Woldingham (1925) Ex.C.R. 85. As to the construction of bridges by Dominion railways see the Railway Act, R.S.C. 1927, c. 170 secs. 247 et seq.
(68) Aeronautics Case (1932) A.C. 54 at 77.
(69) Now the Aeronautics Act, R.S.C. 1927, c. 43.

So long then as the Convention remains binding on Canada it seems that the Dominion may legislate as to the large part of the field of aerial navigation covered by it. It is well to note, however, that when, if ever, Dominion legislation in relation to aeronautics is passed other than in aid of a "British Empire" treaty or convention falling within S. 132 its power so to enact will depend on the subject-matter falling in whole or in part within some clause of S. 91, e.g. "Navigation and Shipping", "Trade and Commerce", etc.; and that it is quite possible that some topics of air transportation, e.g., intra-provincial regulation, will be held to be within provincial jurisdiction.(69a) This will be so even as to air transportation legislation passed in aid of a treaty, if that treaty is not a "British Empire" treaty within S. 132; for apart from S. 132 "there is no such thing as treaty legislation as such....and as a treaty deals with a particular class of subjects so will the legislative power of performing it be ascertained".(70)

In the meantime there seems no reason to doubt that the provinces may validly incorporate aircraft companies whose objects are purely provincial. It is probable also that the provinces may legally regulate flying within the province in all purely provincial aspects;(71) but during the currency of the Convention and the Dominion legislation above mentioned this power is under a temporary eclipse to the extent that its exercise conflicts therewith. To the extent that any phase of air navigation, e.g. rates for carriage of persons or goods, is not covered by Dominion legislation properly in aid of the Convention power to legislate

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(69a) See Aeronautics Case (1930) S.C.R. 663 and in the Privy Council supra, as explained in the Radio Case (1932) A.C. at 311, 313, and in the Labour Conventions Case (1937) A.C. at 351.

(70) Labour Conventions Case (1937) A.C. at 351-2.

(71) Aeronautics Case, (1930) S.C.R. 663.

in relation to it depends on the ordinary principles governing the division of jurisdiction.(72)

F. Jurisdiction by Parliamentary Declaration.

Section 92, No.10(c) gives Parliament jurisdiction over: "Such works as, although wholly situate within the province, are, before or after their execution, declared by the parliament of Canada to be for the general advantage of Canada or for the advantage of two or more of the Provinces."

"The authority created by sec. 92(10) (c) is of a most unusual nature. It is an authority given to the Dominion Parliament to clothe itself with jurisdiction - exclusive jurisdiction - in respect of subjects over which, in the absence of such action by Parliament, exclusive control is and would remain in the Provinces. Parliament is empowered to withdraw from that control matters coming within such subjects, and to assume jurisdiction itself".(73)

(a) What are declarable "works"?

The subject of the declaration must be a "work "; it is an unsolved problem whether such a work must be of the same nature as those specified in clause (a), e.g., like canals, railways, or telegraph lines, with the difference, of course, that in area, locality or extent it is "wholly situate in a Province". The term "works" in clause (a) undoubtedly embraces lines of ships,(74) railways, canals, telegraphs,(75) bridges,(76) and the clause has been held to apply to the undertakings of companies authorized to

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(72) Thus the Supreme Court of Canada in the Aeronautics Case regarded the subject of intra-provincial aviation, apart from the Convention, as falling, prima facie, within provincial jurisdiction and held that the control of air navigation did not, at all events, fall within the Dominion power as to "Navigation and Shipping", though the Dominion might have jurisdiction over air craft and air navigation as incidental to its powers as to The Regulation of Trade and Commerce, Postal Service, Militia and Defence, Aliens, etc.

(73) Per Duff, J. In Reference re Waters and Water-Powers (1929) S.C.R. 200, at 220. See also Luscar Collieries Case (1925) S.C.R. per Mignault and Newcombe, JJ. As to the extent to which the Dominion formerly resorted to this device see LeFroy, Const. Law note 238; LeFroy, Legislative Power, pp. 603-4.

(74) Kerley v. London & Lake Erie Co. (1913) 28 O.L.R. 606.

(75) And radio broadcasting, Radio Case (1932) A.C. at 375.

(76) A.G. New Brunswick v. C.P.R. (1925) 94 L.J.P.C. 142. And, presumably, highways.

make interprovincial extensions or connections by means of power transmission lines,[77] and telephone lines,[78] and to the undertaking of radio broadcasting;[79] but the clause does not cover provincial railways which merely connect with federal railways themselves extending beyond the province.[80]

The declaratory power under clause (c) has been held to cover intra-provincial railways and street railways,[81] bridges[82] and the creation of a Federal District Commission,[83] and it has been judicially suggested that it applies to grain elevators,[84] and to munition factories and local wireless broadcasting stations,[85] and the construction and operation of flying machines.[86] Notwithstanding the foregoing and other pronouncements to the effect that "works" in clause (c) is not to be restricted by any reference to clause (a) at all,[87] there is still room for an authoritative decision that the expression "works and undertakings" in clause (a)

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(77) Hewson v. Ontario Power Co. (1905) 36 S.C.R. 506; The Hydraulic Co. Case (1909) A.C. 194; Toronto & Niagara Power Co. v. N. Toronto Corporation (1912) A.C. 834; Ottawa Valley P. Co. v. A.G. Ontario (1936) 4 D.L.R. 594.
(78) Toronto v. Bell Tel. Co. (1905) A.C. 52.
(79) Radio Case (1932) A.C. at 315.
(80) B.C. Elect. Ry. Co. v. C.N.R. (1932) S.C.R. 161. The meaning of the term "undertakings" in clause (a) is not here material but as to this see Luscar Collieries v. McDonald (1927) A.C. 925; Radio Case (1932) A.C. at 315; Reference re Aeronautics (1930), S.C.R. at 681; Union Colliery Co. v. Bryden (1899) A.C. at 585.
(81) Bourgoin v. Montreal Ry. 5 App. Cas. 381; Wilson v. Esquimalt Ry. Co., 28 C.R.C. 300; Littley v. Brooks & C.N.R. (1930) S.C.R. 416; Quebec R.L. & P. Co. v. Montcalm (1928) 1 D.L.R. 143; Montreal St. Ry. Case (1912) A.C. at 339, and numerous other cases.
(82) A.G. New Brunswick v. C.P.R., supra.
(83) R. v. Red Line Ltd. (1930) 66 O.L.R. 53.
(84) The King v. Eastern Terminal Elevator Co. (1925) S.C.R. 434; per Duff, J. - a suggestion adopted in the Canada Grain Act, R.S.C. 1927, c. 86, s. 233.
(85) Luscar Collieries Case (1925) S.C.R. 460 per Newcombe, J.
(86) Aeronautics Case (1930) S.C.R. at 682, per Anglin, C.J.
(87) Cf., Rex v. Red Line Ltd. supra, per Orde, J.A.

is to be construed _ejusdem generis_ as embracing means of communication and transportation,[88] and that only such "works" are declarable under clause (c) as are of the same general nature as those specified in clause (a), e.g., highways. Until there is such a decision, or one in the contrary sense, the real ambit of the declaratory power will be uncertain; for though it is a sovereign and uncontrollable power it relates only to "works", whatever that term embraces.[89]

(b) Miscellaneous.

The effect of a declaration is to transfer the works therein mentioned from provincial jurisdiction to the exclusive jurisdiction of Parliament.[90]

The balance of authority holds that the declaration must be formal and express rather than implied, and by way of enactment rather than of recital merely.[91]

There is doubt as to whether the description of the "work" must be by words of specific identification or by way of enumeration of particular works or whether it is enough to use general terms referring to the class of works whose characteristics are so defined as to make the works embraced therein capable of ascertainment.[92] Thus S. 6(c) of the Railway Act

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(88) Cf. Ottawa Valley Power Co. v. A.G. Ontario (1936) 4 D.L.R. at 623, 610.
(89) E.g., the validity of the declaration as to hundreds of grain elevators contained in s. 233 of the Canada Grain Act depends upon whether such elevators are "works" within clause (c).
(90) Thus the Privy Council in the Montreal St. Railway Case, _supra_, referring to a railway within the Province of Quebec said:--"By this declaration the railway to which it refers was withdrawn from the jurisdiction of the provincial legislature" and "passed under the exclusive jurisdiction and control of the Parliament of Canada, and, small and provincial though it was, stood to the latter in precisely the same relation.....as do those great trunk lines..... which traverse the Dominion from sea to sea".
(91) Hewson v. Ontario Power Co. (1905) 36 S.C.R. 596; Re Grand Junction Ry.Co. & Peterborough County, 45 U.C.Q.B. at 316, 6 O.A.R. at 341, 349; St. John & Quebec Ry.Co. v. Jones (1921) 62 S.C.R. 92.
(92) R.S.C. 1927, c. 170.

purported in very general and comprehensive terms to declare for the general advantage all railways, now or hereafter possessing certain characteristics. This section was held not to constitute a valid declaration by the Supreme Court of Canada in Luscar Collieries, Ltd. v. McDonald.(93) This case is authority for saying that such a blanket declaration is invalid; but not for the view that a declaration is invalid merely because general or comprehensive.(94)

The work declared need not be completed or even in existence at the time of the declaration;(95) but it may be that the work must have a projected or potential existence at that time.(96) A declaration is capable of variation or repeal and thereupon the work ceases, in whole or in part, to be under Dominion authority.(97) Whether a work may be declared as to certain parts, or in certain respects, only has been doubted.(98) A declaration as to a work already within Dominion jurisdiction under clause (a) is unmeaning.(99)

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(93) (1925) S.C.R. 460. In the Privy Council the decision was rested on another ground; but their Lordships stated (1927) A.C. at 933 that the question as to the validity of S.6(c) as a declaration was "to be treated as absolutely open".

(94) It would seem to be a question of degree, and cogent reasons have been given for the conclusion that mere generality of terms or comprehensiveness of subjects embraced is no objection, provided there is language which aptly describes, by class or otherwise, the works intended to be transferred to Dominion jurisdiction. See Luscar Collieries Ltd. v. MacDonald, supra, per Newcombe and Mignault, JJ.

(95) Toronto v. Bell Tel.Co. (1905) A.C. at 58.

(96) Cf. Mignault and Newcombe, JJ. in Luscar Case supra.

(97) H.G. & B. Ry.Co. v. A.G. Ontario (1916) 2 A.C. 583.

(98) B.C. Elect. Ry. Co. v. Vancouver Ry. (1913) 13 D.L.R. 308 per Duff, J. dissenting; Prof. LeFroy in 20 C.R.C. at 128-30.

(99) Hewson v. Ontario Power Co. 36 S.C.R. 596; Kerley v. L. & L.E. Ry. 15 C.R.C. 337; Toronto v. Bell Tel.Co. (1905) A.C. 52.

Summary

The provinces may legislate regarding the use and protection of waterways which are provincial property as long as they do not authorize any impediment to navigation. They have jurisdiction over transport by ships, including ferries, operating entirely within a province and over canals entirely within a province which are not part of an interprovincial system. Harbours may be regarded as provincial public works, if they were not "public harbours" at the date the province entered Confederation. In view of the established position of the Dominion in respect to water transportation, however, it does not appear that any serious conflict in jurisdiction is likely to occur because of the limited provincial jurisdiction.

Railways entirely within a province which do not form part of an interprovincial system are subject to provincial jurisdiction. Thus the provinces may incorporate, construct, regulate and expend public finds for such railways. Otherwise the Dominion jurisdiction over railways is reasonably complete and by declaring them works for the general advantage of Canada the Dominion might even obtain control over provincial railways. The only apparent loophole under existing legislation is that it is possible to avoid Dominion regulation in certain cases by obtaining a provincial charter.

The measure of jurisdiction of the provinces over highway transportation is very wide. To date it has been generally accepted that provincial control is complete. But there are spheres in which the Dominion may exercise some measure of control. The Dominion may legislate with regard to interprovincial and external trade, it alone may incorporate companies whose purpose is interprovincial transportation, and

the Dominion may construct highways which, if interprovincial (or possibly if part of an interprovincial system), would be subject to Dominion jurisdiction. Lastly, the Dominion may obtain control over even local highways by declaring them works for the general advantage of the country, but such control is limited to the "works" aspect and provincial laws of general application would still apply.

Air transportation is now rather completely subject to Dominion jurisdiction by virtue of an international convention, but such jurisdiction might be questioned in the event of the international convention being terminated. Apparently the provinces have power to legislate regarding intra-provincial flying when this does not conflict with Dominion legislation under the convention.

2. TARIFFS AND TOLLS

Waterways

Although tolls were charged for the use of canals in Canada until 1903 they were then temporarily suspended and entirely abolished two years later. Initially intended to meet current costs and interest charges, tolls on the Canadian canals were found to be an impediment to the development of the all-Canadian route in competition with the Erie Canal. Consequently, since 1903, they have not been a factor in the determination of rates charged for water transportation.

Harbour and port tolls in Canada are also largely influenced by conditions at competing ports in the United States. Practice at Montreal is illustrative of that at other Canadian ports. After Confederation Montreal Harbour charges were designed to cover all costs including interest, even that involved in dredging the St. Lawrence below Montreal until the Harbour Commission was relieved of this responsibility. The result was a level of harbour dues higher than at certain comparable United States ports. Consequently the Minister of Public Works, in his general report covering the period 1867-82, stressed the need for reducing all charges [1] if the investment in the St. Lawrence waterways system designed to route traffic to and from the mid-west through Montreal was not to be in vain. Subsequently Montreal port charges were adjusted to a level competitive with the other Atlantic ports.

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(1) Page 498: "4. Wharfage on all ocean cargoes, inward and outward, should be reduced to the lowest possible rates, or if practicable abolished. Wharfage on ocean tonnage should be reduced to the level of Baltimore and Philadelphia, and abolished on grain-carrying inland craft.

"8. Rates and charges incident to the transfer, storage and loading of grain cargoes should be reduced to a minimum."

Waterway rates in Canada have never been regulated by any public body. In general, competition between vessel owners is the principal factor in determining the rate level. The restriction imposed on competition from vessels of United States registry by the Coasting Trade Act,(2) which prohibits vessels of non-British registry from trading between two Canadian ports, has resulted, however, in maintaining rates at a higher level than would otherwise prevail. This is true despite the occasional suspension of this restriction by Order in Council when this is considered necessary to assist the rapid movement of a large grain crop for export.

Water transportation is inherently cheaper than rail transportation for low-grade bulk commodities in large volume where time in transit is not important. Consequently the rates of bulk freighters are made without regard to railway rates, although they do affect the latter. Movements of these vessels take place under contract between the vessel owner and the shipper determined upon consideration of the following factors: nature and density of cargo, quantity, length of time in transit, direction of movement, load limit imposed by depth of water, rates on other commodities, hull insurance and total costs. As a rule operating costs determine the level below which rates do not fall.

Package freighters, carrying traffic more adaptable to rail movement, normally base their rates on the comparable rail rates but with a differential to compensate for the slower service. Lake and rail rates are also established in conjunction with the railways at a differential below the all-rail rates. These, being considered in the nature of rail rates, are subject to the regulation of the Board of Transport Commissioners.

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(2) 2 Edw. VII, c. 7.

Railways

Prior to Confederation competition was largely relied upon to regulate rates, although there was a growing realization that this influence was ineffective. Early railway policies were based upon the desire to obtain rapid development of transportation, not to regulate inequalities and evils of the resulting system. Nevertheless certain attempts were made to set an upper limit to rates. Sometimes this was done by setting maxima in the charter with provision for lowering of the maxima when dividends or net profits exceeded stipulated percentages. Provisions were also inserted in some railway charters making the rates subject to review by the Government. In the later years before Confederation legislative prohibition of preferences in rates was enacted.

The first statute indicating Dominion policy in respect to railway tolls after Confederation was the Act Respecting Railways of 1868[3] which made railway tolls subject to approval by the Governor-in-Council. This Act also provided that the Parliament of Canada might reduce these tolls, but not without the consent of the Company, and not so as to produce less than 15 per cent annual profit upon the capital actually invested. The same provisions were contained in the Consolidated Railway Act of 1879,[4] but in 1881 the agreement[5] with the Canadian Pacific Railway set the maximum profit for this railway at 10 per cent. The 15 per cent profit limitation remained the general rule, however, and although the Railway Act of 1888[6] did not mention any such limitation it did provide for the approval or revision of tolls by the

(3) 31 Vic., c. 68.

(4) 42 Vic., c. 9.

(5) 44 Vic., c. 1.

(6) 51 Vic., c. 29.

Governor in Council. Presumably, the Governor in Council had the power to regulate tolls, subject to provisions in railway charters such as that of the Canadian Pacific. The provisions of the 1888 Act respecting control of rates remained in effect until the Board of Railway Commissioners was appointed in 1903 [7] and acquired the powers previously exercised by the Governor in Council.

The fixing of rates on the Intercolonial Railway, which was constructed as a public work and subsequently operated under the direction of the Minister of Railways and Canals, became subject to the jurisdiction of the Board of Railway Commissioners only in 1923. During the period of direct government operation, freight rates on the Intercolonial were influenced by, but not subject to, the periodic adjustments of freight rates on other lines.

The organization of the Board of Railway Commissioners in 1904 was intended to promote uniformity in railway rate practices and so eliminate the discriminations and preferences which were prevalent. The requirement that railway tariffs be filed with the Board brought numerous complaints in the early days of its work.

In the ensuing years, the Board, in the exercise of its regulatory powers, has heard hundreds of cases and directed the railways to amend many thousands of rates. Many applications for individual rate adjustments have been dismissed for various reasons, and many have been granted and adjustments, both of local and regional character, ordered.

The effect on the general rate level of these numerous decisions may be roughly divided into three periods as follows:

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(7) 3 Edw. VII, c. 58, Pt. IV.

1904 to 1915; gradual lowering of rates..

1916 to 1920: substantial increases to meet war and post-war conditions.

1921 to 1937: reductions from the 1920 peak.

In 1938,[8] the duties of the Board of Railway Commissioners were transferred to the new Board of Transport Commissioners, which was also given certain jurisdiction over water and air carriers.

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(8) 2 Geo. VI, c, 53.

HISTORICAL REVIEW OF THE CANADIAN RAILWAY FREIGHT STRUCTURE 1876 to 1938 - by Mr. J. A. Argo

THE FREIGHT CLASSIFICATION

The foundation of the railway freight rate structure is the "Classification", which groups the many articles and commodities tendered to the railways for shipment. The first step in the creation of anything like a scientific classification in Canada was the publication of Grand Trunk Railway Classification dated June 1874, in which commodities were grouped into four classes, and four multiples of first class; also one special class "A" which included light and bulky articles, in carloads, such as agricultural implements, vehicles, machinery, furniture, woodenware, etc. Other commodities in carload quantities were shown as taking livestock, lumber or special rates, which were published specifically in the Company's various class rate tariffs. This classification was used in connection with rates applicable between stations on the Grand Trunk Railway in Quebec and Ontario.

A classification published by the Intercolonial Railway, effective June 1876, likewise grouped commodities into four classes. Rules in the classification provided that certain commodities would take lumber rates, and other livestock rates. Rate tariffs, which will be referred to later, provided special carload rates on flour and meal; grain, vegetables and matches; lumber and similar articles, and livestock. The ratings in this classification were very similar to and appear to have been based on those in the Grand Trunk Classification of 1874. Some of them were lower, however, because of special local conditions or to conform with government policy on the Intercolonial.

In Western Canada, after the incorporation of the Canadian Pacific in 1881, tariffs were governed by the classification of the Western Division of that company.

This publication was similar to that of the Grand Trunk in Eastern Canada, with differences to meet conditions peculiar to Western Canada. Commodities were grouped into four classes and two multiples of first class, and certain commodities shipped in carload quantities were assigned to seven special classes.

Other railroads followed with publication of their own classifications, with the inevitable result, particularly in Eastern Canada, that so many different classifications were in use shippers had difficulty in checking the rating and charges on shipments moving over more than one line of railway. The rapid development of the country and the increase in railway mileage made a uniform classification for all roads highly desirable. Following study and investigation by a representative special committee, Canadian Joint Freight Classification No. 1 was published, effective January 1, 1884. It was immediately adopted by lines in Ontario and Quebec, and by the Intercolonial on "through Canadian traffic", but not for use locally between points on that railway until January 1890. The Canadian Pacific in Western Canada did not make their tariffs subject to the joint classification until April 15, 1885.

The ratings in Canadian Joint Freight Classification No. 1 were based largely on the Grand Trunk, Intercolonial and Canadian Pacific Western Division Classifications then in effect although ten classes were used instead of four. It is interesting to note that the ratings taken from each of the earlier classifications by Joint Classification No. 1 were evidently chosen from that covering the territory in which the greatest volume of tonnage of the particular commodity moved, or for some other peculiar local condition. The classification has been revised and re-issued eighten times. It has been uniformly used by all carriers in Canada since April 15, 1885. Territorial differences in original

classification ratings to take care of varying conditions, both political and commercial, have since that date been covered by adjusting the published rates.

There is one exception to the uniform application of the classification in Eastern and Western Canada; i. e., in connection with the "Mixed Carload Rule", which, as it exists today, tends to develop one kind of business in one section of the country, although this preference does not injure other sections. Modifications were from time to time made in the mixed carload rule, but it continued to apply uniformly in Eastern and Western Canada until in an amendment to Classification No. 12, effective August 1, 1904, the rule was changed to provide that:

> (a) Between stations in Eastern Canada practically unrestricted mixing of various articles (except a few commodities such as livestock and petroleum products) was permitted.
>
> (b) Between stations in Western Canada, also between stations in Eastern Canada <u>and</u> stations in Western Canada, only articles enumerated under one distinctive heading, such as "Agricultural Implements" or "Groceries" or "Hardware" or "Dry Goods", could be shipped in mixed carloads.

At the present time Rule 10 of Classification No. 19 practically maintains this difference between the mixing arrangements in Eastern Canada and Western Canada. On account of its importance, it is reproduced herein in full:

> "Section 1. Applicable Between points East of Port Arthur and Armstrong, Ont. (see exceptions):
>
> Unless otherwise provided, when a number of different articles, for which carload ratings are provided, are shipped at one time by one consignor to one consignee and destination, in a carload (see Rule 9), they will be charged at the C. L. rate applicable to the highest classed or rated article and the carload minimum weight will be the highest provided for any of the articles in the carload. (Subject also to paragraphs "B" and "C" of Section 2).
>
> Section 2. Applicable between Points West of and including Port Arthur and Armstrong, Ont., and From Points East thereof to Port Arthur and Armstrong, Ont., and Points West thereof and vice versa. (See Exceptions).

Paragraph (a). Unless otherwise provided, articles under different DISTINCTIVE HEADINGS (see note) or articles that are not classified under DISTINCTIVE HEADINGS will not be taken in mixed carloads at carload rates. When a number of different articles under one DISTINCTIVE HEADING, for which carload ratings are provided, are shipped at one time by one consignor to one consignee and destination, in a carload (see Rule 9), they will be charged at the rate applicable to the article taking the highest carload rate and the carload minimum weight will be the highest provided for any of the articles in the carload.

Paragraph (b). Subject to the conditions of Section 1 and Paragraph (a), Section 2, when the aggregate charge upon the entire shipment is made lower by considering the articles as if they were divided into two or more separate carloads, the charges on each separate carload will be based upon the carload rate applicable to the highest classed or rated article therein and the highest carload minimum weight provided for any of the articles therein.

Paragraph (c). Subject to the conditions of Section 1 and Paragraph (a), Section 2, when the aggregate charge upon the entire shipment is less on basis of carload rate and minimum carload weight (actual or authorized estimated weight to be charged for if in excess of the minimum weight) for one or more of the articles and on basis of actual or authorized estimated weight at less than carload rate or rates for the other article or articles, the shipment will be charged for accordingly.

Note - The distinctive headings referred to in Paragraph (a), Section 2, are shown in capital letters, as "AGRICULTURAL IMPLEMENTS", "GROCERIES", "HARDWARE", etc.

Exceptions -

Rule 10 will not apply upon shipments of livestock.

Rule 10 will not apply to carload shipments moving at commodity rates, except where commodity tariffs otherwise provide.

Packages containing articles of more than one class will be rated in accordance with terms of Rule 17, Section 3."

In Eastern Canada, shippers favour the unrestricted mixing rule as now in effect. Wholesalers and jobbers west of Port Arthur have several times indicated their approval of the restricted mixing rule which now applies to shipments between and from or to Western Canada. These different attitudes arise because of differences in trade conditions in the two sections of the country. In the towns and cities of the West, dealers have established wholesale and jobbing houses from which they distribute supplies to retail merchants in the surrounding territory. These wholesale houses receive their supplies in

carload quantities from manufacturers or wholesalers in Eastern Canada, and they have met a real need in supplying on short notice the requirements of retail merchants throughout the West. The restricted rule permitting mixed carloads of commodities listed under certain "distinctive headings" enables the Western wholesaler or jobber to buy in carload quantities from Eastern Canada, but it prevents the small retail merchant from ordering in that way on account of his limited requirements. In Eastern Canada, however, where there is a much greater density of population, wholesale centres are close together and distribute within a comparatively small radius, so the unrestricted mixed carload rule enables the wholesaler to ship to his customers in mixed carloads.

Since 1904 there have been only two complaints by Eastern shippers against the restricted mixing rule in the West, and the subject has been occasionally brought up by Westerners - principally farmers' organizations - who would like to have mixed cars of various commodities shipped to stores operated by them. But wholesalers, jobbers and the majority of shippers in the West are in favour of the present rule, and it has been found justified by the Board of Railway Commissioners.

THE FREIGHT RATE STRUCTURE

Freight rates within and between different sections of Canada have gradually evolved from extremely simple mileage tariffs, by changes to meet the needs of a rapidly developing country, until today they are carried in various types of class and commodity tariffs. This review will deal separately with rates in each of the following territories:

(a) The Maritime Provinces - i. e., territory Levis, Que. - Diamond, Que., and east thereof. (Maritime Scale)

(b) The Province of Quebec, Levis-Diamond and west thereof. (Quebec-Ontario (Central) Scale)

(c) The Province of Ontario, Armstrong, West Fort William and east thereof, subdivided into Central and Superior.

(d) The Prairie Provinces - i. e., territory Armstrong, Ont., Port Arthur, Ont., and West thereof, to and including Edson and Canmore, Alta. (Prairie Scale)

(e) Pacific Coast Territory - i. e., territory Edson, Alta., Canmore, Alta., Crow's Nest, B. C., and West thereof. (Pacific Scale)

The various kinds of rates applicable within and between these territories will be dealt with in the following order:

1. Maximum Standard Mileage Class Rates.
2. Town Tariff and Distributing Class Rates.
3. Summary Comparison of Regional Class Rates.
4. Special Class Rates other than Town Tariff and Distributing Rates, and Class Rates between the different territories.
5. Commodity Rates.

1. Maximum Standard Mileage Class Rates

(a) Maritime Provinces

The earliest tariff available on the Intercolonial Railway is dated June 1876, - published after completion of the line to Rivière du Loup. The classification, printed as part of the tariff, grouped commodities into four general merchandise classes. Rates for these classes were published as well as special rates in four separate columns for shipments in carload quantities of flour and meal; grain, vegetables and matches; lumber and other articles enumerated; livestock and other articles listed with them. Rates were lower than those charged by railways in Quebec and Ontario, as is shown by examples for representative distances in Schedule 23. The relationship of the rates in different classes was approximately the same as in Ontario in the Grand Trunk Tariff of 1874, fourth class being 50 per cent of first class.

Effective December 3, 1889, the ten class type of tariff was adopted, and rates in it made subject to the Canadian Joint Classification which had been adopted by Quebec-Ontario roads January 1, 1884. For distances up to 200 miles, rates were made practically the same as for the four merchandise classes in the tariff of 1876. Other classes were graded in, having regard to the special class rates in the then existing tariffs. Rates in the entire tariff, including those beyond 200 miles, were appreciably below the Ontario-Quebec Scale.

After the taking over of the Drummond Counties Railway from Chaudière Junction to Ste. Rosalie Junction by the Intercolonial Railway in 1898, a general revision of all tariffs, including the Standard Mileage Tariff, was undertaken. Effective March 1, 1898, fifth class was made the base rate instead of fourth, and other classes were related thereto in the same manner adopted in Quebec-Ontario tariffs; i. e.,

1st Class	- 200	per	cent	of	5th	Class
2nd "	- 175	"	"	"	"	"
3rd "	- 150	"	"	"	"	"
4th "	- 125	"	"	"	"	"
5th "	- 100	"	"			

Sixth class was made slightly lower than fifth, or about the cost of handling. Seventh class, which consisted of the more valuable kinds of traffic usually carried at lumber rates, (which classifies tenth class) was made slightly higher than 10th class.

In the Maritime Tariff of March 1, 1898, the rates of the Quebec-Ontario scale were adopted, but <u>not for the same distance</u>. As an example, the scale applicable for a distance of 100 miles was the same as that used for a 70-mile haul in Ontario. This procedure reflected the rate-making policy of the Government on the Intercolonial Railway. Various changes were made in the Maritime scale between March 1, 1898, and November 1, 1915, which had the effect of bringing the rates somewhat closer to the level applicable in the Quebec-Ontario (Central) scale. These adjustments are illustrated in Schedule 23.

Horizontal increases were made in rates March 15, 1918, August 12, 1918, and September 13, 1920, as a result of increased operating costs due to the War of 1914-1918 and horizontal reductions were made January 1, 1921, and December 1, 1921, as given in detail in Schedule 22.

After the taking over of the Intercolonial by the Canadian National in January 1923, the rates of that road became subject to the jurisdiction of the Board of Railway Commissioners for Canada, and with the approval of the Board, the Maximum Standard Mileage Class Rates in the Maritimes were made the same as those in the Quebec-Ontario (Central) scale effective May 10, 1923.

Following investigation and report of the Royal Commission on Maritime Claims (Duncan Commission), the Maritime Freight Rates Act (9) was passed April 14, 1927. This Act required the re-instatement of rate preferences previously enjoyed by the Maritime Provinces, to the extent of reductions of 20 per cent in the rates in effect June 30, 1927, between stations Levis-Diamond, Que., and east thereof, and on domestic traffic moving from the preferred territory to other parts of Canada for the proportion of the haul in preferred territory. The Act provides compensation to the railways from public funds to make up the difference in revenues derived from the "normal" and the "statutory" rates. Standard mileage class rates within the Maritimes were thus reduced 20 per cent effective July 1, 1927. The rates as published on that date are currently in effect.

(b) Quebec-Ontario (Central)

The first attempt to publish a comprehensive schedule of rates in this territory was made by the Grand Trunk in 1874 when they published their so-called "Book Tariff" in which specific rates were named from each station to every other station on the railway. This tariff provided rates for four merchandise classes, and special commodity rates on flour,

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(9) 17 Geo. V, c. 44. The policy embodied in these statutory rates is evident from the following excerpts:

> "7. The rates specified in the tariffs of tolls, this Act provided for, in respect of preferred movements, shall be deemed to be statutory rates, not based on any principle of fair return to the railway for services rendered in the carriage of traffic; and no argument shall accordingly be made, nor considered in respect of the reasonableness of such rates with regard to other rates, nor of other rates having regard to the rates authorized by this Act."

> "8. The purpose of this Act is to give certain statutory advantages in rates to persons and industries in the three provinces of New Brunswick, Nova Scotia and Prince Edward Island, and in addition upon the lines in the province of Quebec mentioned in section two, together hereinafter called "select territory", accordingly the Board shall not approve nor allow any tariffs which may destroy or prejudicially affect such advantages in favour of persons or industries located elsewhere than in such select territory."

grain, lumber and livestock, in carloads. It was governed by the Grand Trunk Classification of 1874. The relationship of the four merchandise scales was as follows:

1st	Class	- 200	per	cent	of	4th	class
2nd	"	- 167	"	"	"	"	"
3rd	"	- 133	"	"	"	"	"
4th	"	- 100	"	"			

Examples of the rates for representative distances are shown in Schedule 23.

The early confusion resulting from the use of different tariff bases and classifications on each road was overcome by the publication of "The Canadian Standard Mileage Tariff" of January 1, 1884. The tariff was governed by the "Canadian Joint Freight Classification" of the same date. Rates in this tariff were the result of compromises between the high rates charged on some lines and the extremely low rates on others. The resulting scale harmonized conflicting transportation conditions, without seriously disturbing existing commercial interests.

Ten classes were used in the tariff of January 1, 1884. Fifth class was adopted as the basic class and other classes were constructed in relation thereto instead of to fourth class, as previously. Fifth class rates were determined by taking an average of various fourth class rates previously in effect on different railroads, for equal distances, and converting this average rate to a rate per ton mile for distances in 50-mile blocks from 50 to 600 miles. For distances over 600 miles the same rates per ton mile as for 600 miles were used. Eighth, ninth and tenth class rates were similarly determined. Other classes bore the following relationship to fifth class:

1st Class	- 200	percent	of	5th	Class	
2nd "	- 175	"	"	"	"	"
3rd "	- 150	"	"	"	"	"
4th "	- 125	"	"	"	"	"
5th "	- 100	"	"			

Sixth class was made slightly lower than fifth or about the cost of handling. Seventh class, which consisted of the more valuable kinds of traffic usually carried at lumber rates (which were classified tenth class) was made slightly higher than 10th class. This tariff also applied on shipments between Quebec-Ontario (Central) and stations on the Intercolonial Railway.

Various changes were made in the territorial application of this tariff as new lines were constructed. Capreol was fixed as the western boundary October 15, 1915. On the National Transcontinental Railway the scale was adopted from Quebec City west to Fitzpatrick on May 25, 1915, and on February 16, 1920, extended to apply to Cochrane, Ont.

The horizontal increases and reductions in rates between March 15, 1918, and December 1, 1921, given in Schedule 22, were made in the Quebec-Ontario tariff. The rates as reduced on December 1, 1921, are currently in effect.

As no further changes have been made in the "Quebec-Ontario (Central)" Maximum Standard Mileage class rates, the basis for the present rates is that established January 1, 1884, modified by the above mentioned horizontal percentage increases and reductions. Rates for representative distances as in effect at various dates are shown in Schedule 23. Since the effective date of the Maritime Freight Rates Act, of course, the Quebec-Ontario (Central) maximum scale only applies from that territory to the Maritime Provinces on eastbound traffic. On westbound shipments the Maritime proportion of the rates is reduced 20 per cent.

(c) Ontario (Superior)

The Canadian Pacific was completed between Sudbury and Port Arthur November 2, 1885, and effective on that date a tariff was published, with rates for ten classes governed by the Canadian Joint Freight Classification. The rates were exactly the same as those then applicable in "Prairie" territory. They applied between stations in the above territory and stations east of Sudbury. In this tariff, due to the fact that the "Prairie" scale was adopted, fourth class rates were used as the base rate.

Rates in the above tariff were appreciably reduced effective May 1, 1886, due, no doubt, to the increase in volume of business handled, but they were still higher than the Quebec-Ontario (Central) scale. The percentage relationship of classes one, two, and three to fourth class remained the same, but fifth class was reduced from 90 per cent to 80 per cent of fourth. The relationship since May 1, 1886, has been as follows:

1st Class	- 200 per cent	of 4th Class
2nd "	- 166 2/3 per cent	" " "
3rd "	- 133 1/3 " "	" " "
4th "	- 100 per cent	
5th "	- 80 " "	of 4th Class.

Sixth class rates were made slightly lower than fifth, (in no case more than 2 cents) or about the cost of handling. Seventh, eighth, ninth and tenth classes were made to correspond very closely to the relationships applicable in the Quebec-Ontario (Central) area.

When the Canadian Northern Railway was completed between Capreol and Port Arthur October 16, 1915, the Canadian Pacific scale of rates was adopted. On the National Transcontinental Railway, the same scale was adopted between stations Fitzpatrick and west on May 1, 1915. Effective February 16, 1920, the scale was made to apply between

stations Cochrane and west to Armstrong, Ont. East of Cochrane the lower Quebec-Ontario (Central) scale applied.

The Ontario (Superior) scale of maximum rates as in effect today applies between stations Sudbury (C. P. R.), Capreol (C. N. R.), Cochrane, Ont., and west thereof to Port Arthur and Armstrong, Ont., also between such stations and stations east thereof. The only changes made in the level of the scale used in Ontario (Superior) territory, were the horizontal percentage increases and decreases between March 15, 1918 and December 1, 1921, described in Schedule 22. Comparisons of rates in effect on various dates for representative distances, with rates in effect in other territories, are shown in Schedule 23.

(d) Prairie Provinces

The first line of the Canadian Pacific Railway from St. Vincent, Minn. (near Emerson, Man.) reached St. Bonface, Man. in 1878. For use on this line and on other lines as construction was completed, the Dominion Government, which had undertaken construction of the road in compliance with the terms of Union with British Columbia, published tariffs of tolls and these were adopted by the present Canadian Pacific Railway on its formation on February 15, 1881. These tariffs were approved by Order-in-Council dated April 29, 1881. The Standard Mileage Tariff, effective May 7, 1881, provided rates for distances up to 145 miles. Four merchandise classes and seven special classes were provided, governed by the Canadian Pacific Railway Classification, Western Division.

Rates in the tariff of May 7, 1881, were approximately the same as the winter rates then in effect on the Grand Trunk in Eastern Canada. Rates in the latter tariff were published specifically, and as the western tariff was in the form of a mileage scale, some adjustments were necessary to provide an evenly graduated scale of rates. The following examples of rates in effect in Eastern Canada with those in the West are of interest:

From	To		Miles	Class Rates in Cents Per 100 lbs. 1	2	3	4
Napanee, Ont.	Grafton,	Ont.	58	26	22	17	13
Western Tariff May 7, 1881			58	26	21	16	13
Whitby, Ont.	Fredericksburg,	Ont.	110	36	30	24	18
Western Tariff May 7, 1881			110	36	29	24	18
Montreal, Que.	Mallorytown,	Ont.	138	42	35	28	21
Western Tariff May 7, 1881			138	42	34	27	21

Construction of the Canadian Pacific proceeded rapidly and it soon became necessary to provide rates for greater distances. Mr. Collingwood Schreiber, at that time Chief Engineer of the Government Railways, Ottawa, prepared a new and revised tariff, increasing the rates and extending the distances. When submitting this tariff to the Minister of Railways for approval, he wrote in part as follows:

> "In accordance with instructions received from the Honorable Minister, I have prepared for his consideration a freight tariff for the Western Division of the Canadian Pacific Railway. This it will be observed, is higher than tariffs of the Railways in Eastern Canada, but I think it is only in proportion to the comparatively greater cost of operating a railway in the North-West. ...and that the line runs for hundreds of miles through a district which, if not wholly unsettled, is very sparsely settled indeed, and which will yield but a very light traffic for some time to come."
>
> "I have, however, borne in mind the express wishes of the Honorable Minister, that the tariff be framed with a view to the settlement of the country and the promotion of its trade,"
>
> "To this end low rates are placed on some of the most important articles, such as emigrants' effects (one-half special 6th class) coal, cordwood, lumber and grain."

On March 23, 1883, the tariff was approved by Order in Council, and it was adopted by a by-law of the Canadian Pacific on April 16, 1883. The date on which it actually became operative is not definite, but it was in effect by July, 1883.

The tariff of July 1883 provided rates for four merchandise classes and seven special classes. Coal for local movement was in a separate group and coal from Thunder Bay on still lower rates. Cordwood was handled at coal rates on special conditions. The tariff was governed by the Canadian Pacific Classification (Western Division) previously mentioned. Rates were provided for distances up to 1,000 miles. Inasmuch as the Canadian Pacific Tariff of 1883 is actually the foundation

of the present maximum class rates in Western Canada, the relationship of rates in it with those in the Grand Trunk Tariff in the East may be of value. The Western Tariff did not bear a number, so it will be referred to hereafter as Tariff X.

In both tariffs:

1st Class rates were 200 per cent of 4th Class
2nd " " " 166 2/3 per cent of 4th Class
3rd " " " 133 1/3 " " " " "

Up to 220 miles, the fourth class rates in Tariff X were approximately 150 per cent of those in the Grand Trunk Tariff. From 220 to 500 miles, the fourth class rates were graduated with an even spread of 1 cent per 100 lbs. between each 10-mile block. From 500 to 1,000 miles, the spread in fourth class rates was, with few exceptions, 2 cents for each 25-mile block. Classes 1 to 3 were then scaled in on the above percentages of fourth class.

The following comparison of rates in Tariff X with those in effect on the Grand Trunk at that time, clearly indicates the relationship between the two tariffs.

					Class Rates in Cents per 100 lbs.			
From		To		Miles	1	2	3	4
Vaudreuil,	Que.	Acton,	Que.	75	30	25	20	15
Tariff X				75	45	38	30	23
Belleville,	Ont.	Brockville,	Ont.	95	36	30	24	18
Tariff X				100	54	45	36	27
Oshawa,	Ont.	Shakespeare,	Ont.	116	40	33	27	20
Tariff X				120	60	50	40	30
Montreal,	Que.	Collins Bay,	Ont.	180	50	42	33	25
Tariff X				180	76	64	51	38

Tariff X apparently remained in effect until April 15, 1885, when a tariff with ten classes, governed by the Canadian Joint Freight Classification of January 1, 1884, was published. It was re-issued without change in the rates then published, but extended for greater distances, until October 1, 1894, when Tariff No. 270 was published, wherein classes 1 to 4 were a re-issue of the four merchandise classes

in Tariff X. Fifth class was then made 90 per cent of fourth. Other classes were constructed by converting the special per car rates in Tariff X into rates per 100 lbs.

For example, first special class in Tariff X applied on grain, potatoes and millstuffs, which were classified eighth class in Canadian Joint Freight Classification. Eighth class rates in Tariff No. 270 were made the same as first special class in Tariff X. Sixth special class in Tariff X applied on commodities which, for the most part, were assigned to sixth class in Canadian Joint Freight Classification, and when reduced from a per car basis to cents per 100 lbs., the rates check with the sixth class rates in Tariff No. 270. The same is true for classes seven, nine and ten.

It will be realized from the foregoing that the maximum standard mileage class rates in Western Canada, as published in Canadian Pacific Tariff No. 270 bore a definite relationship to those in effect in Quebec-Ontario (Central) territory. In the West, however, fourth class was retained as the base rate, whereas in the East, a change was later made to fifth class as the base rate.

The current rates in Prairie Territory are a percentage of Tariff No. 270 rates. The various factors which have affected that percentage relationship will now be reviewed briefly. The Canadian Northern first became important in Western Canada in 1896. As the result of an agreement dated February 11, 1901, between the Province of Manitoba and the Canadian Northern, (the "Manitoba Agreement") certain assistance was given to the Railway, and, in return the company agreed to a two-stage reduction totalling 15 per cent in rates other than grain between stations on its lines in Manitoba, also between Port Arthur and Fort William and stations

in Manitoba. (Reductions in grain rates will be referred to elsewhere.) Effective June 17, 1901, therefore, the maximum standard mileage class rates in the territory specified (Manitoba and Ontario, Port Arthur and west) were reduced 7½ per cent and a further 7½ per cent reduction was made effective February 15, 1902, for distances up to 500 miles, and effective June 1, 1902, all rates for distances up to 1,000 miles were made 85 per cent of Canadian Pacific Tariff No. 270.

To place shippers in Saskatchewan and Alberta on a more equitable basis, though this was not required by the Manitoba Agreement, rates between stations in those Provinces, also between Manitoba and stations in Saskatchewan and Alberta, were reduced 7½ per cent, or to 92½ per cent of the rates in Canadian Pacific Tariff No. 270, effective May 7, 1902. The Canadian Pacific, for competitive reasons, were obliged to adopt the same rates as the Canadian Northern.

Following full investigation by the Board of Railway Commissioners for Canada in what is known as the Western Rates Case, the Board ruled[10] that the preferential treatment then accorded the Province of Manitoba was discriminatory and it prescribed for use throughout "Prairie" territory the scale then in effect in Manitoba and Western Ontario; i. e., 85 per cent of the rates in former Canadian Pacific Tariff No. 270. The scale was so revised effective September 1, 1914. The salient features of this important case are summarized in Schedule 24. Thus, while the Manitoba Agreement is now obsolete, it left a permanent imprint on the Western Canadian rate structure.

The rates published effective September 1, 1914, were subjected to the horizontal percentage increases and reductions between March 15, 1918, and December 1, 1921, discussed in Schedule . Reductions were made January 1, 1921, and December 1, 1921. No changes have been made in the "Prairie" scale since December 1, 1921. As in effect today, it applies between stations in "Prairie" territory, also between such stations and

(10) General Order No. 125, dated May 30, 1914.

stations east of Port Arthur and Armstrong, Ont. Rates as in effect in Prairie Territory on various dates, for representative distances, are shown in Schedule 23.

(e) Pacific Coast

Canmore, Alta., and Crow's Nest, B. C., were selected by the Canadian Pacific Railway as the dividing points between Prairie and Pacific territories. Upon the construction of the Canadian Northern to Vancouver in October 1915, and the Grand Trunk Pacific to Prince Rupert in August 1914, Edson, Alta. was finally selected as the breaking point on those lines.

The Canadian Pacific was completed to Vancouver on November 7, 1885, and while undoubtedly some simple form of tariff was immediately made effective, the earliest of which there is any record was dated July 25, 1887. Due to the high cost of operating through the Mountain territory, rates from the first were set on a higher level than in "Prairie" territory. The initial method of accomplishing this was unusual. The rate scale as published was the same as that in effect in "Prairie" territory in the tariff later re-issued without change as Canadian Pacific Railway No. 270. (That number will be used for comparative purposes, although it should be understood that Tariff No. 270 did not actually come into effect until October 1, 1894.) To arrive at the higher level of rates in "Pacific" territory, the distances were inflated and such distances published in the tariff, as follows:

	Mileage	
	Actual	Published
Vancouver to Yale (Actual)	101.9	102
Yale to Revelstoke ($1\frac{1}{2}$ miles for 1 Actual)	277	415
Revelstoke to Canmore (2 miles for 1 Actual)	195.4	391
	574.3	908

In other words, the rate table in the "Pacific" tariff was the same as the "Prairie" scale, but the distance table was inflated. Consequently, it is not possible to show rates in

Pacific territory at that time for actual distances in the comparative statement schedule. Today actual mileages are shown in the distance table, but the rate scale is inflated.

Effective September 1, 1914, the basis of rates was revised in compliance with Board of Railway Commissioners Order in the Western Rates Case. In the new tariff, (September 1, 1914), rates were constructed as follows:

> For distances up to 750 miles - the rates for each mile were made the same as the rates in the Prairie tariff of the same date for 1½ miles. Beyond 750 miles, rates were made by adding for each 25-mile block, the difference between the corresponding Prairie Scale 25-mile blocks - this for the reason that the extreme distance local to British Columbia is 750 miles. Any movement beyond that distance is on interchange with the Prairies, and the spread between groups was, therefore, made the same as that applicable on the Prairies.

Example - for distance of 1,000 Miles:

Pacific Standard 750 miles Basis 1½ miles for 1 Prairie		209 cents - 1st Class
Prairie Standard 1,000 miles	- 194 cents 1st Class	
" " 750 "	- 161 cents 1st Class	
Difference		33 cents
Pacific Standard 1,000 miles		242 cents - 1st Class

Classes other than first class were arrived at in the same way. Rates on the above basis were also published by the Canadian Northern when it was completed on October 14, 1915.

In Pacific territory, as in others previously dealt with, rates were subjected to the horizontal percentage increases and reductions between March 15, 1918 and December 1, 1921, as shown in Schedule 22.

Effective August 1, 1922, in compliance with Board of Railway Commissioners General Order No. 366, dated June 30, 1922, the measure of the inflation in mileage for the mountain haul for distances up to 750 miles (sometimes referred to as the "Mountain Differential") was reduced from 1½ miles to 1¼ miles for one Prairie mile. Beyond 750 miles the method above

described was used for arriving at first class rates. At the same time the method of arriving at rates other than first class was also changed. After determining the first class rate, Classes 2 to 10 were made the same as in the "Prairie" scale for corresponding first class rates. These rates as published effective August 1, 1922, are currently in effect.

The rates in effect on different dates for representative distances, are shown in Schedule 23.

2. "TOWN TARIFF" AND "DISTRIBUTING" CLASS RATES

(a) Maritime Provinces

Possibly there were class rates lower than the Maximum Standard Mileage rates, in isolated instances, prior to March 1, 1898, but no uniformity existed. Effective March 1, 1898, rates were published between distributing centres and other stations in the territory on a basis of 1 scale (2 cents first class) lower than the Maximum Standard Mileage rates shown in Schedule 25 . Between certain points, where water competition was effective, a lower level of rates was in effect during the summer season. Effective July 17, 1905, the town tariff rates were increased to the same level as the maximum mileage rates shown in Schedule 23.

Effective May 28, 1913, Schedule "A" basis for "Town Tariff" rates, then in effect in Quebec-Ontario (Central) territory for distances up to 560 miles was adopted by the Intercolonial Railway. Rates were also published for distances beyond 560 miles on a relative basis. For a distance of 50 miles, this resulted in an increase of 2 cents first class; for 100 miles, an increase of 2 cents first class; for 200 miles no change in rates and for distances over 200 miles a progressive increase in the rates previously in effect.

Effective December 1, 1916, rates were increased 2 cents per 100 lbs., first class for distances over 25 miles, thus reflecting the increase in Schedule "A" rates authorized in the Quebec-Ontario (Central) territory by the Board of Railway Commissioners in their decision in the Eastern Rates Case. The Board then also prescribed a re-alignment of Schedule "A" mileage grouping between 81 and 140 miles, which had the effect of denying the increase for distances 96 to 100 miles and 111 to 120 miles.

The horizontal percentage increases and reductions between March 15, 1918, and December 1, 1921, as described in

in Schedule 22, were made in the Maritime Town Tariff rates. No further change was made until July 1, 1927, when, in compliance with the terms of the Maritime Freight Rates Act, "Town Tariff" rates applicable between stations in the "preferred" territory, Levis-Diamond, Que., and east thereof, were reduced 20 per cent. Rates as published effective July 1, 1927, are currently in effect. Rates in effect on various dates for representative distances are given in Schedule 25.

(b) Quebec-Ontario (Central)

As early as June 1874, "special" tariffs, lower than the "Maximum" scales were in effect between distributing centres and other stations, on a four class basis. Effective January 1, 1884, special tariffs were published on a ten class basis, but with no uniformity in the bases used by different carriers. Rates were, however, appreciably lower than the Maximum Tariff of January 1, 1884. Effective September 2, 1891, carriers in the Quebec-Ontario (Central) territory agreed to a uniform "Town Tariff" scale of rates for distances up to 400 miles. The scale was constructed by using the Maximum Standard class rates of January 1, 1884, and applying them for greater distances. The following tabulation clearly shows the basis.

Town Tariff Scale for Miles	Made Same As Maximum Scale for Miles	Miles Shrunk
25	25	-
30	25	5
40	30	10
50	35	15
60	40	20
70	50	20
80	60	20
95	70	25
100	75	25
110	85	25
120	85	35
140	90	50
160	110	50
180	130	50
200	150	50
220	170	50
240	180	60
260	200	60
280	220	60
300	240	60
320	250	70
340	260	80
360	280	80
380	290	90
400	300	100

Shortly after the establishment of the Town Tariffs, it was found that rates from the border cities of Windsor, Sarnia and Fort Erie were higher than those from the United States frontier points of Detroit, Port Huron and Buffalo. Eastern shippers therefore complained of discrimination, for rates on traffic from United States points through and into Canada were lower than rates from the Canadian border cities to the same destination. The whole question was finally made the subject of investigation by the Board of Railway Commissioners in what is commonly referred to as the "International Rates Case". Injected into the case also was the disparity in eastbound versus westbound rates between Toronto and Montreal,

the westbound rates at that time being lower. The entire question of "Town Tariff" rates, also rates between the territory east and west of the Toronto-North Bay line, was studied.

The Board's decision, handed down in Order No. 5258, was dated July 6, 1907. The general effect was to introduce the lower basis of United States rates into Eastern Canadian class scales which brought about a reduction in these estimated to aggregate 10 per cent.

A revised "Town Tariff" basis described as Schedule "A" was prescribed by the Board for distances up to 560 miles. There was also established a group to group basis for rates between the territory east and west of the Toronto-North Bay line, and a scale of arbitraries to be used in constructing rates between stations west of Montreal and stations east thereof to Quebec City. A maximum rate of 44 cents was prescribed between Toronto and Montreal instead of the Schedule "A" rate on actual distance which would have been 46 cents. The mileage grouping in Schedule "A" was appreciably different from those used in both the Maximum Standard Scale and in the Town Tariff Scale of September 2, 1891, the tendency being to increase the size of mileage blocks more rapidly with increasing distance in thes Schedule "A" groupings.

While Schedule "A" was not directly constructed by a shrink in mileage similar to that used in the September 2, 1891, scale, it is of interest to note that a similar result was obtained.

Schedule "A" Scale for Miles	Same as Maximum Scale for Miles	Shrink in Miles
5	5	-
10	10	-
15	15	-
20	20	-
25	25	-
30	25	5
40	30	10
50	35	15
60	40	20
70	45	25
80	55	25
95	70	25
100	75	25
110	75	35
120	85	35
140	85	55
170	95	75
200	110	90
230	130	100
260	150	110
290	170	120
320	180	140
350	200	150
380	220	160
410	240	170
440	250	190
480	270	210
520	280	240
560	290	270

Tariffs in compliance with Board's Order No. 3258 were made effective January 1, 1908. Rates applied "between" the Town Tariff or distributing stations and other stations in the tariffs.

The Eastern Rates Case of 1916 originated in an application of the eastern railroads for a general increase in freight rates to compensate for increased operating and maintenance expenses. After lengthy review of the subject the Board of Railway Commissioners, under General Order No. 167 dated July 3, 1916, approved a series of class and commodity rate increases which averaged about five per cent. Western rates were excluded from this investigation because of the general adjustment effected in the Western Rates Case.

Effective December 1, 1916, therefore, first class rates for distances over 25 miles were increased 2 cents per 100 lbs. Other classes were scaled in accordance with the

Maximum Standard Mileage Class rate scales for corresponding first class rates. As stated in connection with the Maritime Town Tariff Rates, the Board also ordered a re-alignment in the mileage grouping of Schedule "A" scale for distances between 81 and 140 miles, which had the effect of denying the increase for distances 96 to 100 miles and 111 to 120 miles.

Horizontal percentage increases and reductions between March 15, 1918, and December 1, 1921, are given in Schedule 22 on August 1, 1922, in compliance with General Order No. 366, of the Board of Railway Commissioners. Schedule "A" rates were made to apply to and from Sudbury and Sault Ste. Marie, Ont. This necessitated extending the Schedule "A" scale for distances up to 1,520 miles on the following basis:

> Two cents were added to first class rates for 560 miles as in effect prior to December 1, 1916, for each 40-mile block. The rates so arrived at were increased and reduced in accordance with the Eastern Rates Case and horizontal percentage increases and reductions made in rates for distances less than 560 miles. Other classes were scaled in the same way as the maximum standard rates for corresponding first class rates. Rates as prescribed August 1, 1922, are currently in effect.

Rates in effect on various dates for representative distances, compared with those applicable in other territories, are shown in Schedule 25.

(c) Ontario (Superior)

There is no "Town" or "Distribution" tariff in this territory.

(d) Prairie Provinces

Between the years 1886 and 1907, there were in effect in Western Canada what were known as "Traders' Tariffs". The rates in these tariffs were approximately the through rates from original shipping point in Eastern Canada to final destination in Western Canada, minus the rate from the Eastern point of origin to the distributing centre, plus, in some cases (including Winnipeg), cartage charges. These tariffs named the wholesalers who were permitted to ship and the traders who might receive goods at the rates quoted. All others paid the regular rates.

As a result of complaints of discrimination, particularly from the Portage la Prairie Board of Trade, the Board of Railway Commissioners ruled that the Traders' Tariffs should be withdrawn not later than November 15, 1907. Inasmuch as these tariffs were entirely different from those in effect in other territories, no comparison of the rates in them with others has been made in Schedule 25.

Following cancellation of the "Traders'" tariffs, so-called "Town" tariffs were published effective November 25, 1907, on the following basis:-

(a) Within Manitoba - 30 per cent lower than C. P. Railway Tariff No. 270.

(b) Within Saskatchewan and Alberta and from Manitoba to these Provinces	(22½ per cent lower (than C. P. Ry. Tariff (No. 270
(c) From Manitoba, Saskatchewan and Alberta to British Columbia	(15 per cent lower than (C. P. Ry. Tariff No. 270

All these "Town Tariff" rates were actually 15 per cent lower than the maximum standard mileage class rates than in effect, because of the effect of the Manitoba Agreement. In some instances these rates had "between" application. In others, they applied only "from" the distributing centre to other stations.

As a result of the decision in the Western Rates Case, the varying bases in Prairie Provinces were simplified. The Board ordered that <u>from</u> recognized distributing points in "Prairie" territory, west of Fort William to points within that area, the first class rates were to be not higher than 85 per cent of the first class rates in the "Prairie" standard tariff prescribed at that time. As the "Prairie" maximum standard tariff was made 85 per cent of former Canadian Pacific Tariff No. 270, the "Town Tariff" or "Distributing" rates, throughout the territory, were placed on the same basis as had previously applied within the Province of Manitoba as a result of the Manitoba Agreement; i. e. 30 per cent lower than former Canadian Pacific Tariff No. 270.

Rates for classes other than first class were scaled in accordance with the Maximum Standard tariff so as to maintain existing class relationships. It will readily be appreciated that because of their relationship to the Maximum Standard class rates, the various horizontal increases and reductions in rates from March 15, 1918, to December 1, 1921, were reflected in the "Distributing" rates. "Distributing" rates as reduced effective December 1, 1921, are currently in effect. Examples of the "Town Tariff" and "Distributing" rates in effect on various dates for representative distances are shown in Schedule 25.

(e) Pacific Coast Territory

Prior to September 1, 1914, the rates in Pacific territory, Edson, Alta., Canmore, Alta., Crow's Nest, B. C., and west thereof, reflected the high Mountain Differential described in connection with the Maximum Standard Mileage class rates. The actual rates published are not available on a distance basis.

In the Western Rates Case, the Board of Railway Commissioners ordered that from recognized mainland distributing centres in British Columbia other than Vancouver and New Westminster (from which points "terminal" rates as later described applied) to mainland points in "Pacific" territory, also from the same points to "Prairie" territory, and vice versa, the first class rates were to be not greater than the "Pacific" Maximum class rates less 15 per cent of the "Prairie" Maximum class rates. In other words, the same number of cents per 100 lbs., was taken off the "Pacific" Maximum rates as was taken off the "Prairie" Maximum rates for corresponding distances. The Board stated that the foregoing procedure was prescribed because the higher charges applicable in Mountain territory represented increased cost only, and gave no added profit to the carrier.

The regular horizontal percentage increases and reductions in rates were made between March 15, 1918, and December 1, 1921. Effective August 1, 1922, in compliance with the Board's General Order No. 366, the Pacific "Distributing" rates were revised to reflect the reduction made in the Maximum Standard Mileage rates: i. e., the Mountain Differential was reduced from 1⅜ to 1¼ miles for one "Prairie" mile. Distributing rates in "Pacific" territory as published effective August 1, 1922, are currently in effect. Examples of the rates as in effect on different dates for representative distances are shown in Schedule 25.

3. SUMMARY COMPARISON OF REGIONAL CLASS RATES

1. Maximum Standard Mileage Rates

The historical review of changes in the maximum standard mileage class rates given in tabular form in Schedule 23 may be summarized and classified by showing the level in other territories as a percentage of the Quebec-Ontario (Central) rate scale taken as the base. This has been done for the 1st, 5th, and 10th classes for distances of 100, 400, and 700 miles.

FIRST CLASS

The First Class Rate relationship for the three distances named are shown on Schedule 26, and the dates at which the percentage differences occurred are also indicated. A short description follows:

Maritimes

100 Miles

Rates were lower than the Quebec-Ontario (Central) base scale until 1915, but from 1915 to 1927 they were the same, and lower from 1927 to date.

400 Miles

Scale was 3 per cent lower than the Quebec-Ontario (Central) base scale, and from 1889 to 1913 it was 37 per cent lower. From 1923 to 1927 it was equal to the base and since 1927 it has been 20 per cent less.

700 Miles

Scale was 51 per cent below the Quebec-Ontario (Central) base scale from 1889 to 1913; was greatly increased until it equalled the base in 1923, maintaining the same level until 1927, when it was reduced 22 per cent which reduction is still in effect.

Prairie Provinces

100 Miles

Rates were 50 per cent higher than the Quebec-Ontario (Central) base scale from 1885 to 1902; in 1902 and until 1914 the Manitoba scale was reduced to 28 per cent above and the Saskatchewan-Alberta scale to 39½ above the base. From 1914 to 1921 the Manitoba and Saskatchewan-Alberta scales were the same at 28 per cent above the base. In 1921, however, the percentage was reduced to 6 per cent above the base and has continued on that level since.

400 Miles

Rates have been relatively higher than the Quebec-Ontario (Central) base scale although similar reductions took place on the same dates as for the 100 mile scale, and are now 26 per cent above the base.

700 Miles

Rates were relatively 6 per cent lower than the 400 mile scale from 1886 to 1902, but have decreased similarly to the other scales, on the same dates, and at present are 21 per cent above the Quebec-Ontario (Central) base scale.

Pacific Coast

100 Miles

The percentage relationship to the Quebec-Ontario (Central) base scale is not available prior to 1914. From 1914 to 1921 the scale was 67 per cent above the base, and today is 25 per cent above.

400 Miles

Rates were 100 per cent above the Quebec-Ontario (Central) base scale from 1914 to 1921, and are now 46 per cent above.

700 Miles

Scale was 90 per cent above the Quebec-Ontario (Central) base scale from 1914 to 1921, and is now 40 per cent higher than the base.

FIFTH CLASS

The Fifth Class relationship for the three distances under comparison is shown on Schedule 27, a brief review of which follows:-

Maritimes

100 Miles

The Rates were below the Quebec-Ontario (Central) base scale from 1889 to 1915, and equalled the base scale from 1915 to 1927, when a reduction of 19 per cent was effected, which is the level today.

400 Miles

A situation similar to the 100 mile scale existed, except that the rates equalled the Quebec-Ontario (Central) base scale only between 1923 and 1927, when there was a reduction of 20 per cent.

700 Miles

In this case the conditions were the same as in the 400 mile scale.

Prairie Provinces

100 Miles

The maximum spread was 39 per cent above the Quebec-Ontario (Central) base scale, but reductions effected have brought this down to a point where the rates today are on a parity with the base.

400 Miles

Scale has decreased from a maximum of 60 per cent to 14 per cent above the Quebec-Ontario (Central) base scale.

700 Miles

It is indicated that the scale has been decreased from 53 per cent above the Quebec-Ontario (Central) base scale to only 9 per cent above.

Pacific Coast

100 Miles

In this case also the percentage relationship to the Quebec-Ontario (Central) base scale is only available from 1914. At that time the Pacific scale was 44 per cent above the base, and today it is 13 per cent above the base scale.

400 Miles

Scale was 77 per cent above the Quebec-Ontario (Central) base scale in 1914, and is now 32 per cent above.

700 Miles

In 1914 the scale was 70 per cent above the Quebec-Ontario (Central) base scale, and now is 26 per cent above the base.

TENTH CLASS

The 10th Class Relationship is shown on Schedule 28.

Maritimes

100 Miles

Scale was lower than the Quebec-Ontario (Central) base scale until 1915; and equal to the base from 1915 to 1927 when a reduction of 13 per cent took place.

400 Miles

The situation existing was the same except that the Maritime scale equalled the Quebec-Ontario (Central) base scale only between 1923 and 1927.

700 Miles

Same as 400 miles scale.

Prairie Provinces

100 Miles

Scale initially was 27 per cent above but is now 8 per cent below the Quebec-Ontario (Central) base scale.

400 Miles

This scale has been reduced from an initial point of 20 per cent above the Quebec-Ontario (Central) base scale to 16 per cent below the base since 1921.

700 Miles

Initially this scale was 11 per cent above the Quebec-Ontario (Central) base scale, but in 1902 the Manitoba portion and in 1914 the Saskatchewan-Alberta scale was reduced to 5 per cent below the base. Since 1921 there has been only one scale on the Prairie Region which has been 20 per cent below the base scale.

Pacific Coast

100 Miles

In 1914 the scale was 27 per cent above the Quebec-Ontario (Central) base scale, and is now 3 per cent above.

400 Miles

Scale was in 1914 35 per cent above the Quebec-Ontario (Central) base scale, and is now 1 per cent below the base.

700 Miles

The 1914 scale was 24 per cent above the Quebec-Ontario (Central) base scale, and has been reduced until it is currently 7 per cent below the base scale.

2. "Town Tariffs" and "Distributing" Rates

Schedule 29 has been prepared to show the percentage relationship for First Class traffic, again with the Quebec-Ontario (Central) scale as a base, for 100 and 400 miles, and indicates that the Prairie and Pacific scales percentage relationship has been substantially decreased since 1921 with the Maritime scales below the Quebec-Ontario (Central) scale except between the years 1915 and 1927.

Schedule 30 has been prepared to show the percentage relationship for 5th Class traffic for 100 and 400 miles and indicates a similar situation to that shown in Schedule 29.

Schedule 31 has been prepared for 10th Class rates for distances of 100 and 400 miles and shows that the Maritime scale has been lower than the Quebec-Ontario (Central) scale except from 1913 to 1927 for both distances. There were three Prairie scales for a distance of 100 miles which were at varying percentages higher than the Quebec-Ontario (Central) scale until 1914 when they were reduced to the base scale level which was maintained until 1921 when it was reduced to 17 per cent below the base scale. For a 400 mile haul the relationship between the Prairie and Quebec-Ontario (Central) base scale has been irregular; since 1921 the Prairie scale has been 6 per cent below the base scale. The Pacific scale for 100 miles was higher than the Quebec-Ontario (Central) base scale until 1922, but was reduced in that year to

the same level. For 400 miles the Pacific scale was 59 per cent above the base scale in 1914, but it has been substantially reduced since, and is now 9 per cent above the Quebec-Ontario (Central) base scale.

These Schedules clearly indicate the process of equalization which has been going on for some years as between Quebec-Ontario (Central) and the Prairie and Pacific scales. Special recognition appears to have been given to low grade traffic especially in the Prairie territory.

4. SPECIAL CLASS RATES

(Other Than "Town Tariff" and "Distributing" Rates.)

Special class tariffs other than "Town Tariff" or "Distributing" rates are also published, applicable principally between the different territories. Changes in these rates have, with few exceptions, been due to changes in Maximum Standard Mileage and "Town Tariff" or "Distributing" rates. Consequently, it is necessary to discuss only some of the more important adjustments of the principal groups of such rates.

(a) Between the Maritime and Quebec - Ontario Territories.

For a great many years, rates between stations west of Montreal and stations in the territory east of Levis and Diamond, Que., have been constructed by adding low arbitraries to the rates in effect between Montreal and stations west thereof. The latter base rate has been subject to the various changes outlined in the discussion of "Town Tariffs". The arbitrary added east of Montreal has likewise been subject to various increases and reductions as other rates were increased or reduced.

Between Montreal, Que., and Saint John, N.B., class rates have been constructed using the short line distance of the Canadian Pacific Railway, and the rates so arrived at have applied

as maxima to intermediate points on the old Intercolonial and Canadian Government (now Canadian National) Railways, as far north as Riviere Bleue, Que., (north of Edmundston) and Millstream, Que., (north of Campbellton).

Between Montreal and stations east of Saint John and Moncton, rates are made by adding low arbitraries to the Saint John rates. Halifax is, today, four cents first class over Saint John, Mulgrave 8 cents, and Sydney 12 cents, on eastbound traffic.

Since July 1, 1927, in compliance with the terms of the Maritime Freight Rates Act, on westbound traffic, the proportion of the rates for the haul east of Levis and Diamond, Que., has been 20 per cent lower than on eastbound movements.

(b) Between Stations in Quebec and Ontario South and West of La Tuque, Que., and Capreol, Ont., and stations West thereof.

When lines were completed west of La Tuque and Capreol to Armstrong and Port Arthur, specific class rates were published between stations on such lines and stations south and west of La Tuque and Capreol on an irregular basis slightly lower than the Maximum Standard Class rates. They were subsequently subjected to the same increases and reductions as the Maximum rates.

Rates were reduced effective April 15, 1933, to encourage development of the country, and for the same reason, they were further reduced 15 per cent effective June 21, 1937. As in effect today, to and from stations on the former Trans-Continental Railway east of Cochrane, rates are in many instances on Schedule "A" basis, and in others only slightly higher. To and from stations west of Cochrane (in the higher rated Superior Territory) rates are approximately 85 per cent of the Quebec-Ontario (Central) Maximum Standard Mileage class rates, with the Armstrong rates as a maximum. To and from stations west of Capreol rates are somewhat lower than to and from stations west of Cochrane, because no intermediate carrier participates in the haul. Port Arthur rates are held as a maximum. On shipments to and from west of Cochrane, most

of the traffic involves a movement over the Temiskaming and Northern Ontario Railway, and this two-line haul justifies the slightly higher basis applicable to and from that portion of the line.

(c) Between Eastern Canada and Western Canada

Prior to the completion of the Canadian Pacific between North Bay and Fort William, traffic between Eastern and Western Canada was shipped via Chicago and St.Paul, and rates were made for that route. Very shortly after the Canadian Pacific line was completed, through published rates were constructed by adding arbitraries for the haul up to Port Arthur-Fort William, to the rates applicable from the Lakehead to the destination west thereof. Rates so constructed apply "between".

The arbitraries to the Lakehead are low because of the influence of water competition on the Great Lakes, and the same competition has resulted in blanketing into one arbitrary group the entire territory between Sudbury, Sarnia, Windsor, and east to Montreal. As currently in effect, the first class basing arbitrary between this large group and Fort William is \$1.39½. The distance from Montreal to Fort William is 997 miles. The Quebec-Ontario (Central) Maximum Standard Mileage first class rate of \$1.40 is for a distance of 451 to 475 miles. The arbitrary is, therefore, approximately the Quebec-Ontario (Central) Maximum first class rate for one-half the distance. Between stations east of Montreal and the Lakehead, arbitraries were likewise used in constructing rates to the west.

Up to December 1, 1921, the arbitraries were subjected to the horizontal increases and reductions in rates previously discussed. In its General Order No. 366, effective August 1, 1922, the Board of Railway Commissioners ordered a revision in the arbitraries between Maritime Province points and the Lakehead, so that they would reflect approximately the same relationship to the maximum scale as applied between Montreal and the Lakehead. This had the effect of reducing the spread Saint John, N.B., over Montreal from

41 cents to 24 cents and proportionately at other Maritime points.

Lake and Rail basing arbitraries are also used in constructing rates via the lake and rail routes through Point Edward and Port McNicoll, thence water lines to the Lakehead, or vice versa, on the following differentials under the "All-Rail" arbitraries.

	Class Rates in Cents per 100 lbs.								
	1	2	3	4	5	6	7	8	10
Lake and Rail Differential	25	20	14	10	6	5	5	5	5

The effect of the arbitrary system of constructing class rates to and from Western Canada may be better understood by comparing the arbitraries from and to the Toronto-Montreal group with the local rates between those points and Port Arthur.

VIA ALL - RAIL	Class Rates in Cents per 100 lbs.								
	1	2	3	4	5	6	7	8	10
Local Rates	199½	160	131½	95½	79	66½	66½	65	65
Basing Arbitraries,	139½	115	94½	75½	57	53	44½	44½	44½
Difference	60	45	37	20	22	13½	22	20½	20½

The above basing arbitraries were used in constructing rates, both westbound and eastbound, until June 30, 1927.

Effective July 1, 1927, in compliance with the terms of the Maritime Freight Rates Act, westbound arbitraries from stations east of Levis and Diamond, Que., were reduced 20 per cent. Instead of revising all the rates specifically, it was found that the same results would be accomplished by changing the arbitrary Group to which stations in preferred territory were assigned, as follows:

Arbitrary Group Prior to July 1, 1927		Arbitrary Group Effective July 1, 1927	
Riviere du Loup,	Que.	Quebec,	Que.
Mont Joli,	Que.	Quebec,	Que.
Saint John,	N.B.	Quebec,	Que.
Halifax,	N.S.	Quebec,	Que.
Mulgrave,	N.S.	Riviere du Loup,	Que.
Sydney,	N.S.	Riviere du Loup,	Que.

As a result of the Maritime Freight Rates Act, therefore, a merchant in Halifax, N.S., can ship his goods to Western Canada at the same rates paid by a shipper in Quebec City. On eastbound traffic, of course, the higher rates still apply.

As previously stated, the factor west of the Lakehead used in constructing the through rates is the same as the local rates between Port Arthur-Fort William and the western destination.

(d) Class Rates Between Port Arthur - Fort William and Stations West Thereof.

Since class rates between the Head of the Lakes and stations west thereof are constructed on a principle entirely different from the "Distributing" rates, and because of their important effect both on local traffic and on construction of rates between Eastern and Western Canada their history will be briefly reviewed.

The line of the Canadian Pacific Railway between Port Arthur and Winnipeg was completed in 1883. Effective June 11, 1883, a tariff of rates in four classes and seven special classes, on exactly the same basis as Tariff X described under Maximum Standard Mileage rates, was published. Effective May 11, 1885, the ten class scale of rates was adopted. Again the Maximum Standard Mileage Scale, which later became known as Canadian Pacific Tariff No.270, was used as the basis for rates between the Lakehead and western stations. No further changes of a general nature were made until April 1, 1902, when, as a result of the Manitoba Agreement previously referred to, rates were reduced as indicated hereunder.

Between Fort William - Port Arthur and Winnipeg, first class rates were reduced $7\frac{1}{2}$ per cent. The Maximum Standard Mileage Scale with first class rate nearest to the resultant rate was 89 cents for a distance of 310 miles. Other classes were scaled in accordance with the standard scale for 310 miles. Deduction of Winnipeg cartage of 3 cents, produced a first class rate of 86 cents, which was approximately the maximum first class rate for 290 miles. The actual mileage, Fort William to Winnipeg, is 420 miles. There

was, therefore, a shrink of 130 miles in distance.

Between the Lakehead and destinations west of Winnipeg in the Province of Manitoba, an assumed distance of 290 miles was used up to Winnipeg, plus actual distance beyond, and the nearest Maximum Standard scale for the distance so arrived at applied.

Example:

To Winnipeg (assumed mileage)		290 miles
Winnipeg to Portage la Prairie		55 "
	Through	345 miles

	Class Rates in Cents per 100 lbs.								
	1	2	3	4	5	6	7	8	10
Standard Scale 350 Miles	104½	87	69½	53	47½	40	29	29½	23
Rates Published	105	88	70	53	48	40	28	29.	23

Between Port Arthur and Canadian Pacific destinations non-competitive with the Canadian Northern, also to and from points in Saskatchewan and Alberta, the Maximum Standard Mileage rates for actual through distance were applied. The reduced rates, therefore, simply reflected the reductions made at that time in maximum rates, previously outlined. Adjustments of a local nature were made in rates from time to time, and when the rails of the Canadian Northern reached Edmonton, effective October 10, 1905, rates to and from that point were made on the basis of actual mileage. Previously, the Canadian Pacific had constructed rates on combinations over Calgary.

As a result of the publication of "Town Tariff" rates in Western Canada, November 25, 1907, it was found that in many instances, combinations on Winnipeg made lower rates than those published from and to the Lakehead. Rates were revised to a maximum of the Winnipeg combination effective December 23, 1907.

Complaints to the Board of Railway Commissioners alleging discrimination in the rates between the Lakehead and stations west of the Manitoba Boundary were made by the Regina Board of Trade.

The Board ordered the discrimination removed in their Order No. 12520, dated December 10, 1910. The case was taken to the Supreme Court by the Railways, but the Board's Order was upheld, and rates were revised effective April 1, 1912. Reference has been made to the procedure used in arriving at constructive distance of 290 miles to Winnipeg in determining rates between the Lakehead and Manitoba destinations. In revising the rates to and from Saskatchewan and Alberta points, effective April 1, 1912, a similar principle was used, except that the higher Maximum Standard scale applicable to and from Saskatchewan and Alberta was used. In it the 250-mile scale corresponded to the 290-mile scale in the Manitoba Maximum tariff. A constructive distance of 250 miles was, therefore, used up to Winnipeg, plus actual distance to the stations in Saskatchewan and Alberta, and for such through distance, the Saskatchewan-Alberta Maximum Standard Mileage class scales were applied. The foregoing bases were continued in effect between Port Arthur-Fort William and stations west thereof in Manitoba, Saskatchewan and Alberta until September 1, 1914.

Between Port Arthur - Fort William and destinations in British Columbia, rates were published effective November 15, 1887, using the Prairie Maximum Standard Mileage scale then in effect, but inflating the distances as follows:

Port Arthur to Canmore, Alta.	-	Actual mileage
Canmore to Revelstoke, B.C.	-	2 miles for 1.
Revelstoke to Yale	-	1½ miles for 1.
Yale to Vancouver	-	Actual mileage.

This basis was continued in effect until September 1, 1914, except that to and from Vancouver, New Westminster and Victoria, from April 17, 1899, to September 1, 1914, rates were made the same as from United States Missouri River points to U. S. Pacific Coast Terminals, plus 5 cents per 100 lbs.

As a result of the Western Rates Case, effective September 1, 1914, rates between Port Arthur and Fort William, and stations west thereof, were revised to the following basis:

(a) To and from points east of Winnipeg, the "Prairie" territory "Town Tariff" basis (85 per cent of the Maximum Standard Mileage Scale) was applied, subject to the rates to Winnipeg as a maximum.

(b) To and from Winnipeg and St.Boniface, Man., the rates were made not greater than the "Prairie" Maximum Standard Scale for 290 miles.

(c) To and from points beyond Winnipeg within "Prairie" territory, the maximum first class rates were made those of the "Prairie" Maximum Standard tariff for the through mileage made up of assumed distance of 290 miles to Winnipeg, plus actual mileage beyond. Other classes were scaled in accordance with the Maximum Standard tariff.

(d) To and from points in "Pacific" territory the rates were made using constructive mileage of 290 miles to Winnipeg, plus actual mileage Winnipeg to Canmore, Alta., plus inflated mileage Canmore to destination, using $1\frac{1}{2}$ miles for 1 actual mile.

It is important to note that, here again, the Manitoba Agreement has had a permanent effect on the rate structure.

Various horizontal percentage increases and reductions were made between March 15, 1918, and January 1, 1921, as previously referred to in connection with other rates.

Effective August 1, 1922, the rates to and from Pacific territory were reduced to the basis of $1\frac{1}{4}$ miles for 1 actual mile for the portion of the haul west of Canmore, Crow's Nest and Edson, Alta., in compliance with Board's General Order No.366. No further change of major importance has since been made.

(e) Class Rates Between Vancouver and New Westminster, B.C., and Stations East Thereof.

Prior to November 25, 1907, rates applicable between Vancouver and New Westminster, B.C., and stations east thereof, were, with few exceptions, constructed on the same basis as that described for the Maximum Standard Mileage class rates, i.e., by the use of actual mileage between Vancouver and Yale, $1\frac{1}{2}$ miles for 1 actual between Yale and Revelstoke and 2 miles for 1 actual mile between Revelstoke and Canmore, Alta. For the total distance arrived at in this way, rates as published in Prairie Maximum Standard Mileage Tariff No.270 (or preceding issues carrying the

same rates) were applied.

Effective November 25, 1907, the date "Town Tariffs" were published in Prairie territory, rates from Vancouver and New Westminster to stations east of Canmore, Alta., were arrived at by inflating distances for the Mountain haul as described above, and applying for such constructive mileage, 87½ per cent of Prairie Maximum scales published in Canadian Pacific Tariff No.270. No change was made in rates between the Coast cities and stations west of Canmore, nor in the westbound rates to Vancouver and New Westminster.

In the Western Rates Case, a basis of rates similar to that prescribed between Port Arthur-Fort William and stations west thereof, was ordered, effective September 1, 1914, between Vancouver - New Westminster and stations east thereof to, but not including, Fort William.

The distance between Vancouver and Glacier, B.C., is 419.5 miles, approximately the same as between Fort William and Winnipeg (419.1 miles) and for this distance a constructive distance of 290 miles was used. Application to this distance of the Mountain Differential of 1½ miles for 1, resulted in a constructive distance of 435 miles between Vancouver and Glacier. In the remainder of Pacific Territory; i.e., east to Canmore, actual distance between Glacier and Canmore was added to the constructive distance and the Pacific Maximum Standard Scale applied for such through distance.

Example - Vancouver to Canmore, Alta.

Vancouver to Glacier constructive distance	-	435 miles
Glacier to Canmore - actual distance	-	155 "
Through	-	590 "

Rates were published on the "Pacific" scale for 590 miles.

To and from stations east of Canmore and west of Fort William, rates were constructed by adding to the rate up to Canmore (constructed as above), the difference between the "Prairie" Maximum Standard first-class rate for the through distance to Canmore and that to the "Prairie" destination. This procedure was the same as described in connection with Maximum Standard rates for distances over 750 miles.

Example --

Vancouver to Calgary, Alta.	641.7 miles (actual)	
Vancouver to Canmore.	579.0 "	
First Class Rate Prairie Maximum	642 "	$1.46
" " " " "	579 "	1.38
Difference		.08
First Class Rate published to Canmore		$1.81
		$1.89

Nearest scale Prairie Maximum Standard $1.88.

Through rates were published for classes 1 to 10, using the "Prairie" Maximum scale beginning with $1.88 first class. When the Grand Trunk Pacific was completed to Prince Rupert, and the Canadian Northern to Vancouver, rates were constructed on a relative and similar basis.

Horizontal percentage increases and reductions in rates were made between March 15, 1918, and December 1, 1921, as previously referred to in connection with other class rates.

The method of determining the rates effective September 1, 1914, particularly between Vancouver and Canmore, was incorrect, because the "Pacific" Maximum Standard scale had been constructed to reflect the Mountain Differential of 1½ miles for 1 actual, and by again inflating the constructive distance of 290 miles, to 435 miles, the Mountain Differential was compounded. Effective December 1, 1921, therefore, in compliance with Board of Railway Commissioners' Order No.31648, issued following complaint of the Canadian Manufacturers' Association, rates were revised to reflect

the proper adjustment; i.e.,

Vancouver to Glacier constructive distance......	290 miles
Glacier to Canmore actual distance.............	155 "
Total	445 miles

Rates were published on the "Pacific" scale for 445 miles, instead of 590 miles previously used. To and from points east of Canmore, the "Prairie" scale differences were added as previously described.

Effective August 1, 1922, in compliance with Board of Railway Commissioners' General Order No.366, the Mountain Differential was reduced from $1\frac{1}{2}$ to $1\frac{1}{4}$ miles for 1 actual mile, and necessary reductions made in rates to reflect that change. No changes of a general nature have been made in the rates between Vancouver - New Westminster and stations east thereof since that date.

It is of particular interest to note that the Manitoba Agreement, obsolete as it is today, has left its imprint even on the rates between Vancouver and stations east thereof. It actually has been responsible for a lowering of the level of class rates throughout Western Canada, and between Eastern and Western Canada. There have been, and probably will, in future, be complaints because Winnipeg receives the benefit of a shrink in the entire distance between the Lakehead and that City, whereas to and from points west thereof - Edmonton for example - actual mileage west of Winnipeg is added to the constructive distance of 290 miles. It must be remembered, however, that Manitoba paid the price for the original reduction in rates which resulted in the constructive distance which benefits it most.

5. Commodity Rates

Commodity rates lower than the applicable class rates, are published in all sections of Canada. In general they are designed to obtain for the railways the movement of traffic which they would not attract under the class rates because of competition of other forms of transportation, or to extend the competition area of shippers.

The commodity rate structure has grown with the country. Various commodity rates are constantly being adjusted to meet changing industrial and commercial conditions. While many such rates reflect the general rate level in the territories concerned, there are many which do not because of the need to meet social conditions. A number of the more important commodity rates in different territories are discussed in the following paragraphs.

(A) DOMESTIC RATES ON GRAIN AND GRAIN PRODUCTS TO CANADIAN DESTINATIONS

1. Local Grain Mileage Rates

Grain mileage scales have been published for local movements within the various territories for many years. In the early "four class" tariffs, as previously stated, "special class" columns were included providing for rates on Grain and Grain Products. In the review which follows, no attempt has been made to segregate rates on grain from those on flour, nor to single out rates on corn which are often slightly higher than on other grain. The changes which affected one commodity have, as a general rule, affected all, and the generic term "grain" is used.

Maritime Provinces

The basis for the early grain mileage scales applicable in Maritime Territory, following the cancellation of the "four class" scales is not available. Currently there are two mileage scales in effect, both of which reflect the reduction under the Maritime Freight Rates Act. The higher of the two scales is used up to the milling point, or on straight local movements.

On products reshipped from the mill, the through rate from original point of origin to final destination via the milling point is revised to the lower scale. Prior to July 1, 1927, the higher scale reflected the Ontario (Superior) basis, and the lower scale the Quebec-Ontario (Central) basis. Both scales were reduced 20 per cent on that date, and both have since been accorded reductions and increases relative to those made in the Quebec-Ontario (Central) scale, thus maintaining the 20 per cent preference.

Quebec - Ontario (Central)

In the Quebec-Ontario (Central) territory for a few years after the "four-class" tariffs were cancelled, and "ten-class" tariffs published, eighth class rates applied. Effective October 1, 1888, to assist the milling trade to secure local Ontario and Quebec grain, mileage rates were published 40 to 60 per cent less than the eighth class rates in the Maximum Standard Tariff of January 1, 1884. From stations west of Montreal to stations east thereof, including the Maritimes, for many years rates have been constructed by adding a low scale of arbitraries to the mileage rate to Montreal. The above scale was increased effective September 1, 1917; for distances up to 150 miles rates were increased ½ cent and beyond that distance 1 cent per 100 lbs. Rates were subjected to horizontal percentage increases and reductions between March 15, 1918, and December 1, 1921. Rates in this territory were reduced on various dates during the years 1933 to 1938, in order to retain traffic for rail movement in competition with a combination of water and motor carrier rates. As in effect April 15, 1938, they are very close to the August 12, 1918, level.

Ontario (Superior)

The mileage scale of rates established in the Ontario (Superior) territory was constructed on a higher level

than in the Central area, and thus reflected the higher basis of class rates applicable. It was subjected to the same increases and reductions as the Quebec-Ontario (Central) scale between September 1, 1917, and December 1, 1921. Rates as reduced December 1, 1921, are currently in effect. It has not been necessary to make reductions corresponding to those made in the Central area, as the same competitive influences do not exist.

Prairie Provinces

Prior to September 1, 1914, a lower scale of rates applied in Manitoba than in Saskatchewan and Alberta, thus reflecting the effect of the Manitoba Agreement. In the Judgment in the Western Rates Case, the Board of Railway Commissioners prescribed a reduced local mileage grain scale on the basis of 66 2/3 per cent of the Prairie eighth class maximum standard class rates. This basis was appreciably lower than even the Manitoba scale had been. Rates were subjected to increases and reductions between June 1, 1918, and December 1, 1921. Rates as reduced on the latter date are currently in effect.

Pacific Coast

Effective September 1, 1914, rates were published on a scale prescribed in the Western Rates Case. Rates were approximately 70 per cent of the Pacific eighth class maximum rates. Increases and reductions corresponding to those made in Prairie Territory, were made in the Pacific scale between June 1, 1918, and December 1, 1921. Effective August 1, 1922, rates were reduced to reflect the change in the Mountain Differential from $1\frac{1}{2}$ to $1\frac{1}{4}$ miles for 1 actual.

It is interesting to note from the foregoing that the Quebec-Ontario (Central) scale of October 1, 1888, and the Prairie and Pacific scales of September 1, 1914, bore a direct relationship to the eighth class Maximum Standard Mileage rates. A comparison of the current carload rates published in the grain

mileage scales in various territories, with the current eighth class rates - both Maximum and Town Tariff - for representative distances, is shown in Schedule 32.

2. Domestic Rates on Grain and Grain Products Received ex Eastern Canadian Bay, Lake and River Ports, to Canadian Destinations

Grain moving under "Ex-Lake" rates originates principally in Western Canada and moves from Port Arthur and Fort William to the Bay, Lake and River Ports by water carriers. A certain amount of United States grain also reaches these ports via the water route. These rates are lower than the "local" mileage rates because of water competition. The rail carriers prefer to receive the grain at ports such as Midland or Goderich. The water carriers can and do handle it through to more easterly ports at a very small additional charge.

The Canadian Pacific was completed to Fort William in the Fall of 1883. During the year 1885, a total of only 7,842,343 bushels of grain was moved to the Lakehead. However, as settlers migrated to the West, the volume of grain shipped out increased, and it soon became necessary for the eastern carriers to provide special rates to meet the competition of water carriers. The first tariffs published are not available, but in the early 1900's, the rate from Bay Ports (Midland, Goderich, Collingwood, Depot Harbour) to Montreal, was 10 cents per 100 lbs. The "local" mileage rate at that time would have made a rate of 15 cents per 100 lbs. To intermediate points, the "local" scale applied until the ten-cent maximum was reached. To destinations east of Montreal, rates were made by adding arbitraries to the Montreal rate.

The Board of Railway Commissioners on May 19, 1910, ordered that the same basis be used in publishing ex-lake grain rates from all Bay, Lake and River ports between Depot Harbor and Montreal. This principle has also been followed as elevators were constructed at points east of Montreal.

Effective September 1, 1917, the 10-cent ex-lake rate from Bay ports to Montreal was increased to 11 cents and other rates relatively, under authority of Board's General Order No. 202.

Horizontal percentage increases and reductions were made in rates between March 15, 1918, and December 1, 1921, as detailed in Schedule 22. Effective on the latter date, the rate from Bay ports to Montreal was 19½ cents per 100 lbs.

Effective April 15, 1933, the ex-lake rate, Bay ports to Montreal, was reduced to 18 cents, and on June 1, 1933, to 15 cents, due to increased water and motor carrier competition. The mileage scale to intermediate points was proportionately reduced, with a maximum reduction of 3 cents per 100 lbs. Effective April 15, 1935, the base rate to Montreal was further reduced to the old rate of 10 cents per 100 lbs., with relative reductions made to intermediate points. Effective April 15, 1938, due to the urgent need for additional revenue, rates were increased 3 cents per 100 lbs., i. e., the base rate to Montreal became 13 cents per 100 lbs., with proportionate increases to intermediate points.

It should be understood that the reductions or increases referred to above, were, in each instance, reflected in the rates to points east of Montreal where rates are constructed by the use of arbitraries. Rates from Lake and River ports were accorded the same treatment as those from Bay Ports.

It is of interest to compare the above basis of rates with the Crow's Nest Pass rates from Winnipeg to Fort William. From Midland for example, the distance to Montreal is 374 miles, and the rate applicable is 13 cents per 100 lbs. The distance from Winnipeg to Fort William is 420 miles, and the rate 14 cents per 100 lbs. From Midland, Ont., to Bathurst, N. B. is 902 miles, and the rate 28 cents per 100 lbs. From

Saskatoon, Sask., to Fort William, the distance is 900 miles, and the rate 22 cents per 100 lbs. However, the 28-cent rate from Midland applies east to Moncton, N. B., a distance of 994 miles. For a corresponding distance to Fort William (Cavell, Sask.) the rate is 23 cents per 100 lbs. It is evident, therefore, that the ex-Bay, Lake and River port rates in Eastern Canada as currently in effect compare favourably with the statutory Crow's Nest Pass basis of rates in effect from the Prairies to Port Arthur and Fort William.

3. Domestic Rates on Grain, Port Arthur and Fort William to Eastern Canada

Via All-Rail Route

For many years prior to September 1, 1917, the rate on grain from the Canadian Lakehead to the large grouped territory Sarnia and Windsor to Montreal and north to Sudbury, North Bay and Ottawa, was 20 cents per 100 lbs. This rate was low due to the influence of water competition. To destinations east of Montreal, rates were constructed on low arbitraries over the Montreal rate. When the Transcontinental Railway was completed east of Armstrong, Ont., to Quebec, the Montreal rate was held as a maximum rate to points on that line. Effective September 1, 1917, under authority of Board of Railway Commissioners' General Order No. 202, rates were increased 1 cent per 100 lbs.

The usual horizontal percentage increases and reductions were made between March 15, 1918, and December 1, 1921. Effective on the latter date the base rate to the Toronto-Montreal group was 37½ cents.

Effective December 5, 1932, rates to destinations east of Montreal were revised to the same basis of arbitraries over Montreal as used on lake-and-rail movements. This resulted in reductions varying from 2 cents at Mont Joli, Que., to 3 cents at Saint John, N. B., and 4½ cents at Sydney, N. S.

Following this adjustment, the arbitraries over Montreal on ex-lake and on all-rail and lake-and-rail rates from the Lakehead were the same. Effective February 13, 1933, rates were reduced 7½ cents per 100 lbs., to encourage movement via the all-rail route.

Effective June 1, 1933, rates were further reduced 5 cents per 100 lbs., to reflect the reduction made the same date in lake-and-rail rates, and thus maintain the recognized relationship of 5 cents per 100 lbs., over the lake-and-rail rates. The Toronto-Montreal base rate thus became 25 cents per 100 lbs. Rates were again reduced 5 cents per 100 lbs., effective April 15, 1935, - the amount of the reduction made in lake-and-rail rates with a view to holding traffic to the rail lines in competition with all-water and truck carriers - thus bringing the rates down to the level in effect prior to September 1, 1917, and to a lower level to Maritime Province destinations due to the above reductions made in arbitraries. Effective April 15, 1938, due to the urgent need for additional revenues, rates were increased 3 cents per 100 lbs. The Toronto-Montreal base rate thus became 23 cents per 100 lbs.

The following comparison of the all-rail rates from Fort William to Eastern Canadian destinations, with the statutory Crow's Nest Pass rates from the Prairies to the Lakehead is illuminating:-

		Miles	Rates in Cents per 100 lbs.
Fort William, Ont.	to Montreal, Que.	995	23
Cavell, Sask.,	to Fort William, Ont.	991	23
Fort William, Ont.	to St. Simon, Que.	1,228	38
Fort William, Ont.	to Moncton, N. B.	1,534	38
Edmonton, Alta.,	to Fort William, Ont.	1,228	26

4. Domestic Rates on Grain, Port Arthur and Fort William to Eastern Canada

Via Lake-and-Rail Route

Rates on grain via the lake-and-rail route have, for many years, been maintained on a basis of 5 cents per 100 lbs. lower than the all-rail rates, except as noted below. For a considerable number of years, the lake-and-rail rate to Toronto-Montreal and points intermediate to Montreal was 15 cents per 100 lbs. To stations west of Toronto, rates were graded under the Toronto rate because of the short distance from Point Edward to the destinations involved. To destinations east of Montreal, low arbitraries were added to the Montreal rate.

Effective September 1, 1917, rates were increased 1 cent per 100 lbs., under authority of Board of Railway Commissioners' General Order No. 202. Between March 15, 1918, and December 1, 1921, rates were subjected to the same increases and reductions as all-rail rates. On the latter date, the base rate to Toronto-Montreal was 32½ cents. Effective April 3, 1931, rates were reduced [illegible]½ cents per 100 lbs., to meet the competition of water and motor carriers. Effective April 9, 1932, the rate to Montreal was reduced to 29 cents, due to competitive conditions, and the arbitraries over Montreal to destinations east thereof were revised to the same level as those applicable on "ex-lake" grain. This resulted in reductions to the Maritime Provinces varying from 6 to 8 cents per 100 lbs. Effective April 15, 1933, the base rate to Toronto-Montreal was reduced from 29 to 25 cents, and the same reduction made to points east of Montreal. Effective June 1, 1933, rates were reduced 5 cents per 100 lbs., due to competitive conditions, thus making the Toronto-Montreal base rate 20 cents per 100 lbs. Effective April 15, 1935, rates were again reduced 5 cents per 100 lbs., which brought the base rate to Toronto-

Montreal down to 15 cents - the rate in effect prior to September 1, 1917. Effective April 15, 1938, due to the need for more revenue, rates were increased 3 cents per 100 lbs. The base rate to Toronto-Montreal thus became 18 cents.

5. Rates on Grain "Prairies" to Port Arthur and Fort William

The Line of the Canadian Pacific between Winnipeg and Fort William was completed in the Fall of 1883. Effective January 5, 1884, that company published a special tariff to Fort William, with a view to diverting the grain movement from the U. S. route through Emerson and St. Vincent. Rates were on a very high level. It will be realized that at that date, the only mode of transportation east of Fort William was via water carriers, as the line east of the Lakehead was not completed until November 2, 1885. No through movement was possible during the winter months. Effective September 16, 1886, as a result of strong pressure from Western farmers, rates were radically reduced, the reductions varying from 1 cent at Portage La Prairie to 30 cents at Calgary. No change was made in the Winnipeg rate. Effective September 1, 1887, reductions varying from 4 cents at Winnipeg to 1 cent at Medicine Hat, were made. Effective October 1, 1888, rates from Winnipeg were reduced 3 cents, but no change was made in rates from points west thereof. Effective September 5, 1893, further reductions were made varying from 4 cents at Winnipeg to 1 cent at Calgary.

Under the Crow's Nest Pass Act (Schedule 8), in return for certain subsidies granted them, the Canadian Pacific agreed, amongst other things, to reduce their rates on Grain to the Lakehead, a total of 3 cents per 100 lbs. in two successive reductions of 1½ cents each. Rates were accordingly reduced 1½ cents effective August 1, 1898, and a further 1½ cents effective September 1, 1899.

Under the terms of the Manitoba Agreement, rates to the Lakehead from Canadian Northern stations in Manitoba were reduced a total of 4 cents per 100 lbs., in two successive reductions. The first reduction of 2 cents was made effective February 1, 1902.

Complaints were made to the Manitoba Government alleging discrimination in rates from Canadian Pacific points of origin. It was finally agreed that the Canadian Pacific would reduce rates from Winnipeg 4 cents per 100 lbs., and 3 cents from all other origins in Manitoba. The Canadian Northern were permitted to depart from the terms of the Manitoba Agreement to the extent of making a total reduction of 3 cents per 100 lbs., from stations in Manitoba west of Winnipeg. The final reductions were made effective October 7, 1903. To preserve a relative adjustment, rates from Saskatchewan and Alberta stations were reduced 2 cents per 100 lbs.

Various adjustments were made in rates between October 7, 1903, and June 1, 1918, as the Canadian Northern extended its rails westward. That company was not a party to the Crow's Nest Pass Agreement, and so maintained rates on a slightly higher level from its local territory. At competitive points its rates were naturally made the same as the Canadian Pacific. The Canadian Pacific also held rates from stations on lines constructed later than 1897, at a higher level than on its main line.

Due to increased costs of operation during the War of 1914-18 carriers were authorized to increase rates. Effective June 1, 1918, under authority of Board's General Order No. 212, rates on grain were increased 2 cents per 100 lbs., which still left them below the Crow's Nest Pass level. Order in Council P. C. 1863, dated July 27, 1918, authorized a further increase to the extent that rates were increased in adjacent United States territory, notwithstanding the provision

of any rate-limiting agreements. Rates were increased a maximum of 6 cents, effective August 12, 1918, (see Schedule 22).

Sub-section 5 of Section 325 of the Railway Act, 1919, provided that the powers of the Board to fix, determine, and enforce just and reasonable rates should not be limited, or in any manner, affected by the provisions of any Act of the Parliament of Canada, for a period of three years from the date of the Act; i. e., from July 7, 1919. Rates were further increased September 13, 1920, and reduced January 1, 1921, and December 1, 1921, as described in Schedule 22.

Following the expiration of the three-year period specified in the Railway Act of 1919, rates were reduced, effective July 6, 1922, to the old Crow's Nest level. Subsection 5, Section 325 of the Railway Act was further amended June 27, 1925, giving the Board of Railway Commissioners complete power to fix rates without regard to the terms of any rate-limiting agreements EXCEPT that the rates on grain and flour from all points on all lines of railway west of Fort William to Fort William and Port Arthur must be in accordance with the Crow's Nest Pass Act (see Schedule 8). The railroads took the position at that time that the rates published July 6, 1922, were in accordance with the terms of the Crow's Nest Pass Act.

Following a General Freight Rates Investigation during the years 1925 and 1926, the Board of Railway Commissioners issued General Order No. 448, requiring that the Canadian Pacific publish rates on grain and flour from all points on their branch lines west of Fort William to Fort William, Port Arthur and Westfort, on the same basis as those in effect from main line stations for equivalent distances, and that all other railways adjust their rates to those of the Canadian Pacific. Rates governed by the Crow's Nest Pass Agreement were not to be exceeded. This Order resulted in reductions in rates from the northern portions of the Prairie Provinces. Tariffs were

made effective September 12, 1927, and no further change of a general nature has been made in grain rates to the Lakehead since then.

The rates on wheat from representative points of origin to the Lakehead, as in effect on various dates, are shown in Schedule 33. A further comparison of these grain rates with comparable rates in the United States to Duluth is given in Schedule 34.

(B) DOMESTIC RATES ON GRAIN TO UNITED STATES DESTINATIONS

1. Grain Originating Locally in Ontario-Quebec

For many years, rates have been published on grain originating at stations in Ontario and Quebec destined to Eastern United States points on a percentage of the local rates in effect from Chicago, Ill., to the same destinations. They have from time to time been revised to reflect changes made in the rates from Chicago.

2. Domestic Rates on Grain Received Ex-Lake from Eastern Canadian Bay, Lake and River Ports, to Eastern United States Destinations

For many years, rates on ex-lake bulk grain in carloads, including elevation charges, were published from Canadian Bay and Lake Ports west of Toronto, to New England destinations, on a basis of one-half cent per bushel lower than the rates in effect from Buffalo, N. Y., to the same destinations. The reason for this action was that water carriers charged one-half cent per bushel more to carry grain to the Canadian Bay and Lake Ports than they did to Buffalo, due to the fact that they had more difficulty in securing return cargoes from the Canadian ports than they had from Buffalo. Rates via the Canadian route were equalized at the expense of the rail carriers.

Effective September 14, 1931, the Buffalo lines reduced their rates to the same level as those in effect from the Canadian Bay ports, and intimated they would meet any rates the Canadian railways might publish. Since that date, rates

from Canadian ports, Toronto and West, have been maintained the same as those in effect from Buffalo.

From Kingston, ex-lake rates to New England destinations are published on the Oswego, N. Y. basis ($1\frac{1}{2}$ cents lower than from Buffalo) and from Prescott, Montreal, Sorel and Quebec on the Ogdensburg, N. Y. basis ($2\frac{1}{2}$ cents lower than from Buffalo to most of the destinations and $1\frac{1}{2}$ cents under Buffalo to others).

Since July 5, 1931, rates have also been published exclusive of elevation charges, with milling in transit authorized at Canadian points, on the basis of rates applicable from Buffalo, Oswego or Ogdensburg, N. Y., as the case may be. Prior to that date, the local rates previously referred to applied on such traffic.

3. Domestic Rates on Grain from Port Arthur and Fort William to Eastern United States Destinations Via All-Rail and Lake-and-Rail

Western Canadian Grain moving to Eastern United States destinations is in competition with grain grown in Western United States. To assist in meeting this competition, rates from the Canadian Lakehead to Eastern United States points, via both the all-rail and Lake-and-rail routes, have, from their inception, been maintained on the same basis of rates as in effect from Duluth, Minn. Changes made from time to time in the Duluth rates in either an upward or downward direction, have been reflected in the rates from Port Arthur and Fort William to the same destinations. The foregoing brief summary of domestic rates published to Eastern United States destinations, clearly shows the action taken by Canadian carriers to place Canadian grown grain on a competitive basis with grain grown in the United States.

(C) EXPORT RATES ON GRAIN

Canadian grain competes in the markets of the world with that grown in the United States. It has, therefore, been the policy of Canadian railways to publish rates via the Canadian St. Lawrence River and Atlantic ports on a competitive basis with those applicable via United States Atlantic ports. Rates on grain for export through Vancouver are in a class by themselves.

Rates to Montreal, Que., are related to rates to Philadelphia, Pa. Rates to Sorel and Quebec, Que., are, from certain territory, on the Montreal basis, and from other points, slightly higher than to Montreal. Rates to Saint John and Halifax are related to the rates to New York. The bases used to cover different originating territory will be briefly outlined.

1. Export Rates on Grain Originating Locally in Ontario and Quebec West of Levis and Diamond, Que.

Prior to 1905 the competitive influences of United States ports and the tendency of the American railroads to direct Canadian traffic to New York had been met, in part, by relating Canadian rates from border and mid-west points to the Chicago-New York basis. But this left intermediate Ontario points at a relative disadvantage as to export rates. Upon complaint, the Board of Railway Commissioners, in General Order No. 586, dated July 25, 1905, and amended September 4, 1905, prescribed a regrouping of stations and a reduction in export rates on Ontario traffic estimated to average about 10 per cent.(1)

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(1) The Order read in part as follows:

> "2. That when, as now, the rates to Montreal on export freight traffic from Chicago, Detroit, Port Huron and intervening points are lower than the rates in effect on the same traffic, at the same time, from the same points, to New York, then at least the same difference shall exist between export rates from Ontario points to Montreal and the rates in effect on the same traffic, at the same time, from the same points, to New York, the rates to Montreal to be the lower."

Export grain rates from Ontario to Saint John, West Saint John, Halifax, Portland, Boston, New York, Philadelphia and Baltimore, were based on percentages of the Chicago to New York rates, as authorized by the Board. These rates have been changed from time to time as the Chicago to New York rates were revised, in order to perpetuate the relationship to the Chicago-New York scale and so maintain the competition zone influence.

2. Export Rates on Grain Received Ex Eastern Canadian Bay, Lake and River Ports

On Grain received ex Bay, Lake or River ports, rates have been published, for many years, in relation to those in effect from Buffalo to Philadelphia and New York, and have necessarily reflected changes made in those rates from time to time.

3. Export Rates on Grain from Port Arthur and Fort William

Rates on grain from Port Arthur and Fort William moving via both the all-rail and lake-and-rail routes to Montreal, Que., for export, have, for many years, been the same as rates from Duluth to Philadelphia.

To Quebec, Que., prior to September 12, 1927, all rates were the same as those from Duluth to New York. Effective September 12, 1927, in compliance with Board of Railway Commissioners' General Order No. 448, a rate of 18.34 cents per 100 lbs., was substituted for the former rate of 34½ cents on Barley, Oats, Rye and Wheat. Rates on other grain commodities remained on the New York basis. This action was taken following complaints of the Quebec Board of Trade that the terms under which the National Transcontinental was constructed were

not being carried out[1] and that the high rail rates on grain moving east of Armstrong acted as a barrier forcing the traffic to lake vessels which largely carried it to Buffalo.

To Sorel, Que., Saint John and West Saint John, N. B., Halifax, N. S., Portland, Me., Boston, Mass., and New York, N. Y., rates are published via both the all-rail and lake-and-rail routes on the New York basis.

These rates, to the extent that they are on the Philadelphia or New York basis, have been revised from time to time as rates to those ports were revised.

4. Rates on Grain to Vancouver for Export

The first rates on grain to Vancouver for export were published by the Canadian Pacific effective December 21, 1908. Rates were provided from Alberta shipping points only. Effective June 8, 1909, rates were published from Alberta shipping points on the basis of Canadian Pacific main line rates to Fort William, but using a constructive mileage of 1½ miles for 1 actual for the portion of the haul between Canmore, Alta., and Vancouver. Effective December 16, 1909, rates were published on a similar basis from Saskatchewan points of origin. Various horizontal increases and reductions in rates were made between March 15, 1918, and December 1, 1921, as for other rates discussed in Schedule 22.

In the meantime, however, the basis for rates was slightly changed. Effective May 19, 1920, the Canadian

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(1) On this point the Board's Order reads, in part:

"The determining factor of the grain rates called for in the agreement with the National Transcontinental Railway is, that such rates shall at no time be greater via Canadian ports than via United States ports. Consequently, it is unnecessary to analyze such rates on a per mile basis in the calculation. It would be difficult to justify them on any ground other than that of the agreement, unless it should enunciate and follow up a thoroughly Canadian policy involving the use of Canadian seaports by the carriage of grain products as well as other traffic, thereto."

Pacific published rates, on the basis of their main line rates to Fort William, but used a constructive distance of $1\frac{1}{2}$ miles for 1 only for the portion of the haul between Canmore, Alta., and Yale, B. C. This resulted in inflating the distances 236 miles. The Canadian Northern which met the Canadian Pacific rates at competitive points, also published the Calgary rate from Edmonton, and from local points east thereof used their main line rates to Port Arthur, but added the 236 constructive miles. Effective August 1, 1922, rates were voluntarily reduced 20 per cent to reflect the reductions made in rates to Port Arthur and Fort William effective July 6, 1922, (the re-establishment of the Crow's Nest Rates to the Lakehead). Effective October 22, 1923, in compliance with Board of Railway Commissioners' General Order No. 384, issued following complaints from the Provinces of British Columbia and Alberta, rates were further reduced 10 per cent.

Further complaints were made to the Board, and Order No. 36769 was issued which required that the railways publish rates on grain and flour to Vancouver for export on the basis of rates moving eastward for export. In other words, it brought westbound rates down to the level of eastbound rates set by the Crow's Nest Agreement and eliminated the Mountain Differential. Reduced rates were published effective September 15, 1925. Effective September 12, 1927, in compliance with Board's General Order No. 448, dated August 26, 1927, rates were further revised to reflect the changes made in rates to Port Arthur and Fort William on that date.

Since the elimination of the Mountain Differential was due largely to the low gradients of the Canadian National, in their Order, the Board authorized the use of the Canadian National's mileage to Edmonton, Alta., (766 miles) in constructing rates via the Canadian Pacific Railway to Calgary

(actual distance 642 miles) - an inflation in the Canadian Pacific Railway distance of 124 miles, compared with previous inflation of 236 miles. Rates as published September 12, 1927, are currently in effect. The table below shows rates in effect on various dates from representative shipping points:

Rates on Grain and Grain Products to Vancouver, B. C., for Export

Effective Date	Rates in Cents Per 100 lbs. From Calgary, Alta.	Edmonton, Alta.	Battleford, Sask.	Saskatoon, Sask.	Moose Jaw, Sask.
Dec. 21, 1908	22½	-	-	-	-
June 8, 1909	19½	23	-	-	-
Dec. 16, 1909	19½	23	-	-	28½
Dec. 23, 1913	19½	23	-	-	28½
Jan. 15, 1915	19½	23	-	30½	28½
May 19, 1920	26	26	31	33	32
Dec. 1, 1921	31	31	37	39½	48½
Aug. 1, 1922	25	25	29½	31½	31
Oct. 22, 1923	22½	22½	26½	28½	28
Sept.15, 1925	21	21	26	27	25
Sept.12, 1927	20	20	24	24	25

A comparison of these rates with comparable rates in the United States to Seattle is given in Schedule 35.

(D) RATES ON LUMBER

In each of the territories except the Maritimes, rates on lumber are published in two ways: first a mileage scale, applicable between all points in the territory, and secondly, either specifically station-to-station, or as a lower mileage scale which can only be used between the lumber producing points named, and other stations in the territory. A somewhat different arrangement is in effect in the Maritimes.

1. Maritime Provinces

In the early four-class tariffs, special columns of rates on lumber were included. Details of the various changes in rates immediately following the cancellation of the four-class scales is not available.

For some time prior to May 1907, a mileage scale of rates was in effect. This scale was lower than that in use in Ontario-Quebec (Central) Territory, but was adopted by the Quebec-Ontario lines in the Fall of 1907. This was a case of the latter lines reducing rates to the Maritime level, and not the Maritimes increasing theirs, as was done on class rates. Various uniform increases and reductions were made in the scale between December 1, 1916, and August 1, 1922. Effective July 1, 1927, the scale was reduced 20 per cent in compliance with the terms of the Maritime Freight Rates Act, and it is today 20 per cent lower than the Quebec-Ontario (Central) scale.

For a considerable number of years, there has also been in use in the Maritimes, a special scale applicable on lumber moving to milling points for dressing and reshipment, and except for a small portion of the Province of Quebec, no comparable scale is in effect in other territories. Rates in this scale are used on shipments up to the transit point. When the lumber is reshipped to final destination, the through rates from original point of origin to final destination are revised to the basis of the previously referred to mileage scale. This milling scale, therefore, has no final effect on the charges assessed, except on the weight of the lumber which is lost at the milling point through dressing, etc. The milling scale was likewise subjected to various increases and reductions outlined above, including the 20 per cent reduction under the Maritime Freight Rates Act. Lumber rates in the various territories are shown in Schedule 36.

2. Quebec-Ontario (Central)

Normal Mileage Scale

A normal mileage scale has been published for many years in this territory, to take care of shipments which may move between stations which are not regular lumber shipping points. Rates in this scale have been subjected to various

uniform increases and reductions between December 1, 1916, and August 1, 1922, (see Schedule 22). Rates as reduced on the latter date are currently in effect.

Constructive Scale for Specific Rates

Prior to the Fall of 1907, no uniformity existed in the basis used in constructing specific lumber rates. In May 1907, it was agreed by all carriers to adopt the scale then in use in Maritime Territory. For the same reason other rates previously dealt with were adjusted. These lumber rates were uniformly increased and reduced between December 1, 1916, and August 1, 1922. Rates as reduced on the latter date are currently in effect, but on April 20, 1933, these rates were published as a mileage scale applicable between lumber shipping stations named in the tariff and all other stations in the territory.

Milling Scale

The milling scale, referred to in Maritime Territory, has been used for many years on shipments of lumber originating on the former National Transcontinental, as far west as Hearst, Ont., forwarded to mills on that line and on the former Intercolonial Railway, south of the St. Lawrence River, for dressing in transit. When the finished product is reshipped, the rate is revised to the higher specifically published rate applicable from original point of origin to final destination. Only the waste product left at the dressing station actually receives the benefit of the lower milling rate.

A comparison of the different rates is given in Schedule 36.

3. Ontario (Superior)

Normal Mileage Scale

The mileage scale of rates applicable on lumber shipped locally between stations in this Territory is the same as that

applicable in the Quebec-Ontario (Central) Territory.

Specific Rates

Specific rates are published applicable between lumber shipping stations west of Cochrane and Capreol, and stations east thereof on an appreciably lower level than the normal mileage scale. In some cases, they are practically on the Quebec-Ontario (Central) constructive scale basis; in others (e.g., shipments moving over the Temiskaming and Northern Ontario) they are slightly higher because of the two-line haul. In the case of the shipments from or to stations west of Capreol, rates are made by the use of arbitraries over the rate applicable from or to Capreol, resulting in charges approximately the same as the constructive scale basis. These rates have likewise been subjected to the various increases and reductions between December 1, 1916, and August 1, 1922. Adjustments have also been made in the arbitraries from time to time, to keep competing mills on a proper relative rate level.

4. Prairie Provinces

Normal Local Mileage Scale

A mileage scale of rates applicable on shipments moving locally between stations which do not normally ship lumber, has been in effect for many years. Inasmuch as a lower basis applies from lumber producing points, the local scale is not of great importance. Rates in this scale have been subjected to the various increases and reductions in rates previously referred to, and as in effect today, are approximately 90 per cent of the tenth class Prairie Maximum Standard Mileage class rates.

Specific Rates from Lumber Producing Points in Manitoba and Saskatchewan to Destinations in Those Provinces

When lines were first constructed in the northern parts of Manitoba and Saskatchewan in the early 1900's, lumber rates were published as required. However, as the country developed,

a uniform rate structure was necessary, and by 1915, the following basis was fixed.

Grandview, Man., and Prince Albert, Sask., were selected as two base points and from them rates were published on a uniform scale, which for the shorter distances was, in most cases, the same as the tenth class Prairie Distributing scale, and for longer distances, slightly higher. At 1,000 miles, the lumber scale was 41 cents, and the tenth class Prairie Distributing scale 37 cents - a spread of 4 cents. At 400 miles the spread was 1 cent, and at 700 miles, 2 cents. From other lumber shipping points rates were made on arbitraries over either Grandview or Prince Alberta, according to the destination involved. For example, from Big River, Sask., rates were made 2 cents over Prince Albert; from The Pas, Man., 6 cents over Prince Albert, or 7 cents over Grandview; from Bowsman, Man., 6 cents over Prince Albert, or 3 cents over Grandview. Rates were made over whichever basing point would produce the lowest rate.

These rates were subjected to various increases and reductions in rates between March 15, 1918, and August 1, 1922. The rates as reduced on the latter dates are currently in effect.

Specific Rates from Lumber Producing Points in Alberta to Stations in Alberta, also to Stations in Manitoba and Saskatchewan

The earliest uniform basis for specific lumber rates from Alberta producing points is that which was used shortly after the Western Rates Case. Inasmuch as the Board did not order any change in lumber rates at that time, it is reasonable to assume that the rates in effect prior to that date were on a very similar basis.

Rates after September 1, 1914, were constructed by using the Prince Albert scale previously described, or the tenth class Prairie Distributing rates, whichever were lower,

for distances up to 230 miles. For distances over 230 miles rates were made on the basis of rates previously in effect from Calgary to Canadian Pacific main line stations, for corresponding distances.

The rates to destinations in Alberta and those to Manitoba and Saskatchewan points were the same up to 525 miles. Beyond that, the rates to Manitoba and Saskatchewan were on a slightly higher level. At 550 miles the spread was one-half cent; at 600 miles, one and one-half cents; at 700 miles, one cent, and at 850 miles one cent.

The various increases and reductions previously referred to were likewise made in these rates, between March 15, 1918, and August 1, 1922. Rates published on the latter date are currently in effect. The examples shown in the comparative table, which is included as Schedule 36 are for the current Alberta basis.

(To avoid misunderstanding, it should be stated that the basis outlined in Prairie Territory is for a one-line haul. Slightly higher rates were published when a two-line haul was involved.)

5. Pacific Coast

Normal Local Mileage Scale

Local mileage rates are published on lumber applicable between stations in "Pacific" Territory on approximately the same level as the tenth class Maximum Standard Mileage rates for distances up to 400 miles. Beyond that, they are appreciably lower, and compare more favourably with the tenth class Distributing rates. These rates have been subjected to the various increases and reductions previously outlined, between March 15, 1918, and August 1, 1922. These are shown in the lumber rate comparison in Schedule 36.

Specific Lumber Rates

Specific lumber rates are published between points in Pacific Territory as required. They are, in most instances, on either the tenth class Pacific Distributing basis, or in the case of rates from Vancouver, on the tenth class Vancouver Terminal basis previously described. They have, therefore, reflected the various adjustments made in the class rates from time to time.

6. Lumber Rates from Pacific Territory to Prairie Territory

To assist lumber dealers to market lumber at Prairie destinations in competition with lumber produced in Western Ontario (Kenora, etc.) and in northern Minnesota, low rates were published for a number of years prior to 1913, blanketed over a very large territory. In 1913 the rate from Vancouver to Calgary, Alta., was 36½ cents, and to Winnipeg, Man., only 40 cents - a spread of only 3½ cents for a difference in distance of 824 miles. A similar situation existed in the United States immediately south of the border. From Washington coast mills, a 40-cent rate applied as far east as Fargo, N. D.

In 1913, a complaint was made to the Board of Railway Commissioners regarding alleged discrepancies in rates, particularly to the more northerly Prairie destinations. The case was amicably settled by conference with the interested shippers. Due to the large blanketing of the territory and the large number of rates which had to be "graded" in relation to others, it is not practicable to attempt to set forth the complete basis in this review. The rates cannot be compared with any others on a mileage basis.

In their Judgment in the Western Rates Case, the Board referred to these rates as realigned in 1913, stating they were fair and reasonable and no further change was necessary.

The rates have been increased and reduced on various dates between March 15, 1918, and August 1, 1922. As in effect today, the following rates illustrate the large grouping of territory.

From Vancouver,	B. C.	Rates in Cents Per 100 lbs.
To		
Calgary,	Alta.	50
Drumheller,	Alta.	53
Saskatoon,	Sask.	55
Moose Jaw,	Sask.	55
Regina,	Sask.	55
North Battleford,	Sask.	55
Brandon,	Man.	56½
Winnipeg,	Man.	56½

7. Lumber Rates from Pacific Territory to Eastern Canada

Low rates on lumber have been published also from British Columbia to Eastern Canadian destinations for many years. As in the case of rates to Prairie Territory, they are on a relative basis to those in effect from North Pacific United States shipping points to contiguous territory in the United States, and to Eastern Canada. From British Columbia coast mills the rates to Toronto are the same as from Washington coast mills to Toronto and Buffalo, N. Y.; to Montreal the British Columbia coast rate is the same as from Washington to Montreal and to New York City. This relationship has existed for many years, and it is not necessary to give details of various increases and reductions. To territory east of Montreal, rates are constructed on low arbitraries over the rate to Montreal.

As compared with the rate of 56½ cents from British Columbia coast mills to Winnipeg, the following are current normal rates to representative points in Eastern Canada:

To		Rates in Cents Per 100 lbs.
Toronto	Ont.	$88\frac{1}{2}$
Montreal,	Que.	90
Quebec,	Que.	90
Saint John,	N. B.	$103\frac{1}{2}$
Halifax,	N. S.	105

Water competitive rates have been published from time to time in recent years, due to the influence of the Panama Canal route. Such rates have only applied from British Columbia coast mills to eastern destinations. The current water competitive rate on lumber to destinations in Ontario and Quebec is 85 cents. A lower water competitive rate applies on timbers; e. g., to Montreal, 60 cents and to Toronto 70 cents. If these competitive rates were not published, shipments would move via the Panama Canal route, thence rail to interior points.

(E) RATES ON CEMENT

1. Maritime Provinces

Cement is not manufactured locally in the Maritime Provinces. Most of that used is brought in by water in cargo lots from Quebec and Ontario. Some is brought in by rail and there is also a limited quantity of cement imported. In 1929 the Canada Cement Company built a bulk storage plant at Halifax, N. S., and in 1937, another one at Chatham, N. B.

Rates published on cement have been used to redistribute the commodity in carload quantities. For some years a mileage scale of rates has been in effect, applicable from Halifax, N. S., Moncton, N. B., and Saint John, N. B., to destinations in the Maritimes; also from Charlottetown and Summerside, P. E. I., to destinations on Prince Edward Island. This scale was on a slightly lower level than the rates applicable in Quebec-Ontario (Central) territory until April 16, 1926, when the basis used in each territory was made uniform. Effective July 1, 1927, in compliance with the terms of the Maritime Freight Rates Act, rates were reduced 20 per cent. From Chatham, N. B., tenth class Town Tariff rates apply. These changes are illustrated in Schedule 37.

2. Quebec-Ontario (Central)

Prior to the establishment of cement plants in Canada, cement was brought into Canada either from the United States or from Europe. In 1874, rates on lumber were applied on cement. In the Joint Freight Classification of January 1, 1884, a tenth class rating was provided on cement.

Mileage scales of rates were published on cement as early as 1888, but most of the tonnage shipped was handled on specific rates. The low through rates in effect from United States points of origin, and the effect of water competition on the St. Lawrence-Great Lakes system on import and domestic rates, had the effect of forcing the establishment of low rates from Canadian plants at Montreal and Belleville and at interior points. Mileage scales were revised April 1, 1900, and re-issued January 1, 1904.

Specific rates in effect October 1, 1912, for representative distances are shown in Schedule 37. These rates were subject to various horizontal increases and reductions between March 15, 1918, and August 1, 1922. In November 1925, all lines interested agreed to publish rates on a uniform basis. Tariffs were made effective April 16, 1926, and rates as then published are currently in effect. While not so constructed, it will be noted that in the examples in Schedule 37, they are approximately 70 per cent of the "Town Tariff" tenth class rates.

3. Prairie Provinces

Prior to September 1, 1914, except for Winnipeg, cement in "Prairie" territory moved on the tenth class Saskatchewan-Alberta Town Tariff rates. A special tariff was in effect from Winnipeg on an appreciably lower level. For example, the rate from Winnipeg to Neepawa, Man., a distance of 117 miles, was 9 cents per 100 pounds. From Blairmore, Alta. to Taber, Alta., a distance of 120 miles, the rate was 12 cents. In the Western

Rates Case the Board of Railway Commissioners stated that the commodity rates on cement should be revised so that from Saskatchewan and Alberta plants they would not be greater than for similar distances from Winnipeg, and that the revised tenth class Town Tariff rates be held as a maximum from all plants. After conference with the interested Winnipeg shippers, it was agreed to publish rates on the tenth class Town Tariff or Distributing basis, except that the old rates were to be continued to Fort Frances, Ont. (12 cents) and to Calgary and Edmonton, Alta. (30 cents), and such rates applied as a maximum to intermediate points.

Rates from other Prairie producing points were published on the tenth class distributing basis, with some rates held down so as not to exceed those from Winnipeg for corresponding distances. Rates from Port Arthur, Ont., were published 15 cents higher than the rates from Winnipeg, with the tenth class rates as a maximum. Rates published September 1, 1914, have been subjected to the various horizontal increases and reductions between March 15, 1918, and August 1, 1922. Rates as reduced on the latter date are currently in effect. It will be noted in Schedule 37 that current rates are lower than the tenth class distributing rates. This is because commodity rates on cement were reduced August 1, 1922, but no corresponding reduction made in the class rates.

4. Pacific Coast

Cement is not produced at points in "Pacific" territory served by rail carriers. On shipments moving from Todd Inlet on Vancouver Island, tenth class rates are applied from Vancouver, and added to that the charges by boat from Todd Inlet to Vancouver.

(F) RATES ON BITUMINOUS COAL

The general remarks which follow should be considered illustrative of current specific rates in each territory rather than an exhaustive review of coal rate history.

1. Maritime Provinces

For a number of years, rates have been published from mines in the Maritime Provinces, using as a base a mileage scale of rates but equalizing or relating rates from different mines. Rates from Inverness, Little Bras d'Or, North Sydney, Sydney and Sydney Mines are the same, except to short haul territory. Coalburn, Stellarton, Thorburn and Westville, N. S., and similarly Chipman, N. B., Hardwood Ridge, N. B. Maccan, N. S., and Springhill Jct., N. S., are grouped to certain territory. The rates applicable within and from the Maritimes were reduced 20 per cent for the portion of the haul east of Levis and Diamond, Que., effective July 1, 1927, in compliance with the terms of the Maritime Freight Rates Act, and the rates established then are currently in effect.

2. Quebec-Ontario (Central)

Coal distributed from points in the Quebec-Ontario (Central) Territory moves to the distributing point either by water or by rail. The rates originally published and as since revised from time to time, have been influenced greatly by water competition on the St. Lawrence River and Great Lakes, and in later years, by a combination of water and truck competition.

3. Prairie Provinces

Prior to September 1, 1914, there was a lack of uniformity in the rates on bituminous coal originating at mines in "Prairie" Territory. In their decision in the Western Rates Case, the Board of Railway Commissioners prescribed rates from different groups of mines, on a per net ton basis. When reduced

to cents per 100 lbs., it was found that the specifically prescribed rates checked with definite percentages of Standard Mileage tenth class rates. Mileage scales were accordingly worked out on this basis as follows:

From Saskatchewan mines (Bienfait-Estevan District). 50 per cent of the Prairie tenth class Maximum Standard mileage rates.

From Alberta mines - 55 per cent of the Prairie tenth class Maximum Standard mileage rates.

The Board, in their Order, stated that the previous practice of grouping mines and applying the same rates from all of them for distances over 100 miles should be continued. This was done, and as new mines have since been opened, similar grouping was adopted. These rates were subject to the increase and decrease between March 15, 1918, and August 1, 1922. Rates as reduced on the latter date are currently in effect. It should be understood, however, that rates as in effect today do not bear the above percentage relationship to class rates, because the coal rates were reduced to a greater extent than the class rates in these horizontal adjustments.

In addition to the rates from mines above referred to, rates are specifically published on bituminous coal from the Head of the Lakes to Prairie Territory. These rates are on an irregular basis and have gradually developed from the rates published prior to the time mines were developed in Western Canada. As in effect today, these rates are from ¼ cent to 2½ cents a 100 lbs. higher than the Alberta coal scale above described.

4. Pacific Coast

Rates in Pacific territory have been adjusted in a similar manner to those in Prairie territory. The basis worked out effective September 1, 1914, in compliance with the Board's Order in the Western Rates Case, was 55 per cent of the Pacific Maximum Standard Mileage class rates. Such rates have been

subjected to the same increases and reductions as in Prairie territory above described.

Examples of the current rates in various territories for representative distances are shown in Schedule 38. Because of the original relationship of the Prairie and Pacific bases to the tenth class Maximum Standard Mileage rates, the tenth class Maximum rates are shown in addition to the specific rate, in all territories.

(G) RATES ON PULPWOOD, IN CARLOADS

For Manufacturing and Reshipment

As paper and woodpulp manufacturing mills were constructed in different territories, a low scale of rates was published on pulpwood moving to them, based on the principle that the carriers would receive a haul on the manufactured product.

1. Maritime Provinces

The first paper mill in the Maritimes was constructed at Bathurst, N. B. in 1923. For a number of years prior to 1923, however, rates were published on pulpwood for manufacturing, shipped from territory east of Levis and Diamond, Que., to mills west thereof. To stations south of the St. Lawrence rates were at all times the same as those applicable between stations north of the St. Lawrence, but during the period March 15, 1918, to October 18, 1920, rates to stations north of the river were from 1 cent to 1½ cents higher than the scale applicable on the south side. The same situation existed on shipments originating west of Levis and Diamond, Que.

When the mill at Bathurst opened in 1923, rates were published on exactly the same level as those in effect in Quebec-Ontario territory and the scale was extended to apply to other mills as they were completed. Effective July 1, 1927, in

compliance with the terms of the Maritime Freight Rates Act, rates between stations in the Maritimes, also from the Maritimes to stations west of Levis and Diamond, Que., were reduced 20 per cent for the portion of the haul in preferred territory. Rates so reduced are currently in effect, (see Schedule 39).

2. Quebec-Ontario (Central)

Prior to December 17, 1912, the only mileage scale applicable on pulpwood was on the lumber basis. For distances less than 100 miles, the rates were the same as the tenth class Town Tariff rates. For distances 100 miles and over, they were 1 cent less than the tenth class Town Tariff rates. Isolated specific rates were published to paper mills, but they were on no uniform basis. Effective December 17, 1912, a very much lower scale of rates was published for application to paper mills. Compared with the previous lumber rates, they were as follows:

Distance in Miles	Lumber Scale Prior to Dec. 17, 1912	Pulpwood for Manufacturing Scale December 17, 1912
5	3	2
50	6	3½
100	9	4½
200	11	6½
400	16	9½

This scale of rates has been subjected to horizontal increases and reductions between March 15, 1918, and December 1, 1921. During the period March 15, 1918, to October 18, 1920, on shipments between stations north of the St. Lawrence River and stations south thereof, rates were from 1 to 1½ cents per 100 lbs. higher than those which applied locally north of the River or locally south thereof. Rates as reduced on December 1, 1921, are currently in effect, (see Schedule 39).

3. Ontario (Superior)

Pulpwood for manufacturing scale is the same in Ontario (Superior) territory as in Quebec-Ontario (Central) territory.

4. Prairie

Prior to the construction of paper mills in Western Canada, a mill existed at International Falls, Minn., and drew a portion of its pulpwood supply from Ontario west of Port Arthur and Manitoba. The first rates were published effective March 21, 1910, and were practically on the same level as corresponding rates from Minnesota shipping points. When the paper mill at Dryden, Ont., on the Canadian Pacific was constructed, that company established rates to Dryden on the basis of the Western cordwood scale, which was slightly higher than the Minnesota pulpwood rates.

The first mill was constructed at Port Arthur in 1917, and rates were published on the cordwood basis which was very low in order to assist settlers in marketing their wood. To avoid discrimination, rates to International Falls were increased one-half cent per 100 lbs., effective September 1, 1917, thus practically bringing them up to the fuel wood mileage scale for the Canadian National proportion of the haul to Falls Junction.

Various increases and reductions were made between March 15, 1918, and August 1, 1922, in the rates to Port Arthur and Fort William, and in the rates to International Falls, although the changes in the latter rates were not always made on the same date as the intra-Canadian rates. As in effect today, the rates to International Falls are fractionally higher than those to the Lakehead for corresponding distances. Effective January 25, 1926, when the mill at Pine Falls, Man., was completed, rates on pulpwood were published on the basis of those in effect to Port Arthur and Fort William.

In the comparative table, included as Schedule 39, it will be noted that the Prairie pulpwood for manufacturing scale is lower than in any other territory.

5. For Manufacturing on Pacific Coast

Paper mills on the Pacific Coast are located at water-locked points, and for that reason, it has at no time been necessary for the rail carriers to publish rates on pulpwood moving to them.

(H) RATES ON NEWSPRINT PAPER, CARLOADS

1. Between Canadian Points

Maritime Provinces

As previously stated, the first newsprint paper mill in the Maritime Provinces was constructed at Bathurst in 1923. Rates were published on newsprint paper on the same basis used west of Levis and Diamond, Que., i. e., 75 per cent of fifth class rates. As other mills were opened, the same basis was applied except that from Dalhousie, N. B., to stations west of Diamond, Que., the same rates as in effect from Bathurst were published, thus keeping the two mills on a parity. Effective July 1, 1927, in compliance with the terms of the Maritime Freight Rates Act, rates were reduced 20 per cent for the portion of the haul in preferred territory.

Quebec - Ontario - (Central and Superior)

The paper mill at Windsor Mills, Que., was completed in 1867. Prior to 1897, the only rates available on paper were published in special rate notices, and were fixed with a view to assisting in the development of the industry. In 1897, the rates in the numerous special rate notices were consolidated into special tariffs. There was no fixed basis for the rates and no uniformity in them, as they had been made to meet trade conditions and not in relation to mileage. The mill at Grand'Mere, Que., was completed in 1898; at Shawinigan Falls in 1904; Ottawa in 1906; Jonquiere in 1909 and other mills on various subsequent dates.

Following the publication of Schedule "A" basis of Town Tariff class rates January 1, 1908, it was agreed to publish rates on paper, in carloads, from manufacturing points on the basis of 75 per cent of the Town Tariff fifth class rates. From Montreal to Toronto and points west thereof, Ottawa rates were held as a maximum. The foregoing basis of 75 per cent of fifth class rates has been continued since that date, except that the following mill relationships were maintained:

From Quebec, Donnacona, Portneuf and St. Basile, Que., to destinations west of Montreal, 1 cent per 100 lbs. over the rates from Grand Mere, Que.

From Nairns Falls, Que., 4 cents over the rates from Quebec, except to short haul territory.

From St. Raymond, Que., 2 cents over Grand Mere to stations west of Diamond, Que.

From Jonquiere and Dolbeau, Que., 5 cents over the rates from Grand Mere.

Rates have been subject to the various horizontal increases and reductions previously referred to in connection with class rates, between March 15, 1918, and December 1, 1921.

Prairie Provinces

Rates on Newsprint Paper from mills in Prairie Territory have, with few exceptions, been published on the basis of 90 per cent of the Prairie Town Tariff or Distributing fifth class rates. Rates to Winnipeg are slightly lower than that basis. As the rates are on a higher percentage of the fifth class rates than in Eastern Canada, and as the class rate scale is likewise on a higher level than in the East, the rates in Prairie Territory are appreciably higher, mile for mile. Ignoring mill relationships and other isolated special adjustments, the following comparison of the basis in each territory, using current rates, is of interest:

Rates in Cents Per 100 lbs.

	Distance in Miles	Town Tariff 5th Class	75 per cent of Fifth Class
Maritimes			
	50	16	12
	100	22	16½
	200	27	20½
	400	38	28½
	700	48	36
Quebec-Ontario			
	50	19½	14½
	100	27½	20½
	200	34½	26
	400	47	35½
	700	61½	46

	Distance in Miles	Town Tariff 5th Class	90 per cent of Fifth Class
Prairies			
	50	20	18
	100	29	26
	200	39	35
	400	60	54
	700	87	78½

Rates in Prairie territory have reflected the various horizontal percentage increases and reductions made in class rates between March 15, 1918, and December 1, 1921. Inasmuch as rates in each territory have been on a percentage of class rates since the time there were mills in all three territories, the above comparison reflects the relative rate levels in each, without specifically showing the actual rates in each territory on various dates.

2. From Canada to the United States

Due to the fact that Newsprint Paper is produced in the United States, it has, from the beginning, been necessary to relate the rates from Canadian mills to those from competing United States mills. It has further been necessary to relate the rates from various Canadian mills, and in so doing, ignore distances to an appreciable extent. It is estimated that 80 per

cent of the newsprint paper produced in Canada is marketed in the United States.

Rates from Eastern Canada

Rates from newsprint paper mills in Maritime Territory are related to the rates from Quebec mills, and it is, therefore, not necessary to deal with the two origin territories separately.

Rates from the so-called Grand Mere, Que. group of mills have always been the key or basic rates, both on shipments destined to New England and so-called Trunk Line Territory (roughly east of a line from Buffalo through Salamanca, N. Y., Pittsburgh, Pa., to Parkersburg and Huntington, W. Va.), as well as to Central Freight Association Territory, (roughly west of Trunk Line Territory, north of the Ohio River, to the Mississippi River, as far north as the southern boundary of Wisconsin).

There is no record of a uniform basis in the rates originally published from the Grand Mere group to New England and Trunk Line destinations, but they were made to meet the competition of paper mills located in New England and northern New York State. To Central Freight Association Territory rates were related to those from Berlin, N. H. In many cases the same rates were published from Grand Mere as from Berlin.

The entire eastern Newsprint Paper rate structure was investigated by both the Interstate Commerce Commission and Board of Railway Commissioners for Canada during the years 1933 and 1934, as a result of which rates from Canadian mills were revised. The Canadian Board handed down their decision in Order No. 50913 dated April 5, 1934. The Interstate Commerce Commission decision had previously been rendered in Docket No. 21095 dated November 14, 1933. As a result of the combined Orders, revised rates were published effective Nobember 17, 1934.

To New England and Trunk Line Territories rates from the key Grand Mere group and from the Espanola-Sturgeon Falls group

were constructed on a prescribed mileage scale to certain specified key points in the United States, based on average mileage from the shipping points in the groups. Other mills in Canada were related to the key groups referred to and likewise other destinations in the United States were related to the key points fixed. From Thorold, Ont., for example, the Board prescribed rates related to those in effect from Niagara Falls, N. Y., as follows:

> To destinations to which the rate from Niagara Falls, N. Y. was 22 cents or less, 4 cents over Niagara Falls, N. Y.
>
> To destinations to which the rate from Niagara Falls, N. Y. was over 22 cents, 3 cents over Niagara Falls, N. Y.

To Central Freight Association Territory, the rate from the key Grand Mere group to Chicago was fixed at 42 cents per 100 lbs., and to other destinations rates were made on a percentage of the Grand Mere-Chicago rate. From other shipping points in Eastern Canada, except Thorold, rates were related to the Grand Mere rates. From Thorold, Ont., sixth class rates applied.

The relationship of various mills to the basic groups had remained constant from the time they were first published with the following exceptions:

From St. Raymond, Que.					
March 10, 1910	4½	cents	over	Grand	Mere
August 10, 1912	3½	"	"	"	"
Dec. 19, 1912	2	"	"	"	"
From Jonquiere, Que.					
March 10, 1910	8	"	"	"	"
Aug. 10, 1912	7	"	"	"	"
Dec. 19, 1912	5	"	"	"	"
From Port Alfred, Que.					
May 12, 1926	6	"	"	"	"
May 1, 1928	5	"	"	"	"
From Bathurst, N. B.					
To Trunk Line Territory					
Nov. 3, 1924	10	"	"	"	"
To New York City only					
Oct.28, 1927	5	"	"	"	"
To New England Territory	irregular.				
To Central Freight Association Territory	6	cents	over	Grand	Mere.

A tabulation showing the relationship of various shipping points immediately prior to November 17, 1934, and that prescribed by the Board of Railway Commissioners effective that date is included as Schedule 40.

The general effect of the revision in rates, effective November 17, 1934, was to reduce rates to many New England and Trunk Line destinations and to increase the rates to Central Freight Territory. The following examples from the basic Grand Mere group to representative destinations illustrate the extent of the increases or reductions, as the case may be:

From Grand Mere, Que. To		Rates in Cents per 100 lbs. Prior to Nov. 17, 1934	Effective Nov. 17, 1934
Boston,	Mass.	34	30
New York,	N. Y.	34	32
Philadelphia,	Pa.	38	36
Cleveland,	Ohio	32	36
Detroit,	Mich.	32	35½
Chicago,	Ill.	38½	42

The adjustment also resulted in rates from the Grand Mere group to Central Freight Territory being slightly higher than from Berlin, N. H. to Chicago, Ill., for example, they became 3½ cents per 100 lbs. higher. Lower rates during the season of navigation are published to Central Freight Territory, also to a few points in Trunk Line Territory, to meet the competition of newsprint paper moving to such destinations by water carriers or a combination of motor and water carriers.

Rates from "Prairie" Provinces to the United States

Rates from Fort Frances, Ont., to United States destinations have always been maintained on the same basis as those in effect from International Falls, Minn., directly across the river. Rates from International Falls are, in turn, related to rates from mills in the so-called Fox River group in Wisconsin (The Appleton-Wisconsin Rapids area).

Rates from Fort William and Port Arthur were published in the first instance as proportional rates to Fort Frances, applicable on shipments destined to the United States, and later, in some instances, as through rates on the same basis; i. e., arbitraries over the Fort Frances rates. The arbitraries, or proportional rates, varied, being 5, 6, 7½, 8 or 10 cents according to the destination involved; the lower arbitraries applying to the more distant points.

When mills were completed at Kenora, Ont., on the Canadian Pacific and at Pine Falls, Man., on the Canadian National, rates were published on the same basis as from Port Arthur and Fort William.

In its Order No. 50913, in the Newsprint Case previously referred to, the Board of Railway Commissioners found the basis then in effect a reasonable one and stated that rates should be continued on the existing differentials over the rates in effect from International Falls, Minn.

3. HIGHWAY RATES AND OTHER REGULATION

Rates

Motor carriers using the highways may be broadly classified into three groups: private carriers not offering service for hire, contract carriers doing specific service for hire (under contract), and common carriers offering general service for hire. The charges of contract carriers have not yet been subjected to public control in Canada. Most of the provinces require the filing or publication of tariffs of common carrier bus fares which have been approved by the provincial regulatory body. Some of the provinces require the filing of common carrier truck rates which have been approved, but so far it has not been possible in practice to control adherence to these rates or to prevent discrimination.

Bus fares are normally set at a differential under comparable railway fares in order to attract traffic. In general, the same procedure has been followed in setting truck rates. In part this differential reflects the lower over-all costs of motor transportation when confined to the limits of distance and class of traffic for which it is best adapted. For the shorter hauls of high class traffic the lower terminal costs and less rigid packing and shipping requirements of the motor truck represent a saving which can be passed on to shippers.

Up to the present, however, the rapid expansion of facilities in the motor carrier industry along with the lack of effective public regulation have fostered very intensive competition within the industry. The result has therefore been that rates have been set without much regard for total costs, with the upper limit determined by the competitive railway rate and the lower limit determined largely by the bargaining power of the shipper. Consequently truck rates have so far been characterized by instability and inequalities in application.

The great flexibility of service provided by motor trucks has naturally attracted merchandise traffic to them and of course their relatively small capacity has limited their use for the transportation of low grade, bulky commodities. This factor, coupled with the intensive competition within the motor carrier industry which has resulted in many low truck rates, has resulted in diverting a substantial volume of merchandise traffic in particular from the railways.

In the endeavour to stop this diversion the railways in recent years have made many reductions in their rates for this class of traffic, they have improved their service and they have relaxed their packing requirements and lowered their minimum carload weights. In both Eastern and Western Canada the railways have established "Pick-up and Delivery" rates under which the expense of collecting the shipment and delivering it at destination is assumed by the railways at practically the former rail transportation charge. As a consequence nearly all of the less carload tonnage in Eastern Canada (bounded by Quebec in the east, and Windsor, Sault Ste. Marie and Sudbury in the west) is now moved under such rates.

Motor Carrier Fees and Taxes

In all provinces registration and licence fees are charged at various rates depending upon type and size of the vehicle. The general practice is to levy considerably higher fees on commercial vehicles and to increase the rate on the latter with increased capacity or weight.

Special taxes are levied on vehicles operating for hire to charge for their commercial use of the public highways. Mileage taxes in various forms are paid by buses and in some provinces a tax is levied on gross earnings.

From the standpoint of provincial revenue arising out of motor vehicle operations the most important source is now the gasoline tax. Imposition of the gasoline tax was begun in

Alberta in 1922 and was adopted by the other provinces in the following years. As the need for additional provincial revenue has increased the gasoline tax has been progressively raised, until in 1938 it stood at the levels shown below in the respective provinces.

Province	Tax per gallon
Prince Edward Island	10¢
Nova Scotia	10
New Brunswick	10
Quebec	8
Ontario	8
Manitoba	7
Saskatchewan	7
Alberta	7
British Columbia	7

Apparently the gasoline tax is being increasingly used, whether consciously or not, as a simple, practical method of charging highway users for the costs of providing highway facilities in approximate ratio to their use. Automatically the heavier vehicles pay more per mile run and the vehicles which accumulate large annual mileage pay more than those which do not.

For purposes of comparison, Schedule 41 presents total provincial revenues from motor carrier operations in recent years divided between the gasoline tax and all other fees, licences and taxes.

Other Regulations

Various measures of control over motor carriers have been adopted by the provinces in the interests of safety, protection of the highways from damage and protection of the public from irresponsible operators. Safety provisions include speed laws, specification of equipment standards and inspection by public authorities, size limitations, certification of fitness of drivers and maximum hours restriction. Prescription of tire sizes, wheel load and gross weight limits are designed to protect the highways from excessive wear and damage. Attempts to assure the responsibility of operators include the

requirement of public liability and property damage insurance, proof of financial responsibility to obtain permission to operate and submission of periodic financial and operating reports.

The mere recital of these regulations, however, gives an impression of completeness and uniformity which is entirely erroneous. While all of these regulations are in existence somewhere in Canada, not all the provinces have enacted all of them and wide differences exist between the provinces in regulations covering the same subject. Furthermore, varying degrees of enforcement make their practical application still more diverse.

S C H E D U L E S

SCHEDULE 1 - ESTIMATED COST OF PUBLIC TRANSPORTATION IN CANADA, YEAR 1936

BORNE DIRECTLY BY THE PUBLIC

W A T E R W A Y S

Canals		
Canal Revenue		$ 649,000(a)
Harbours, Rivers, etc.		
National Harbours Board:		
Operating Revenues	$8,031,000	
Harbour Dues	144,000	$ 8,175,000
Shipping		30,000,000(b)
T O T A L W A T E R W A Y S		$38,824,000

BORNE BY THE PUBLIC THROUGH INDIRECT TAXATION

W A T E R W A Y S

Canals		
Investment, March 31, 1937 - $242,726,000		
Interest at 3½% and Depreciation at 1%	$10,923,000	
Administration of Department	237,000	
Improvements, surveys, inspections & claims	224,000	
St. Lawrence Ship Canal	14,000	
Miscellaneous	2,409,000	$13,807,000
Harbours, Rivers, etc.		
Deficit of National Harbours Board 1936	$ 5,877,000	
Harbours and Rivers	2,544,000	
Dredging	746,000	
Ottawa River and Tributaries	23,000	
Miscellaneous	52,000	
Marine - Salaries	305,000	
Ice Breakers	1,304,000	
Radio Aid to Navigation Service	553,000	
Radio Service	275,000	
Miscellaneous - Navigation	30,000	
Lighthouse and Coastal Services	17,000	
Administration of Pilotage	90,000	
Aids to Navigation	1,681,000	
Marine Signal Service	99,000	
Breaking Ice in Thunder Bay	30,000	
Other Coastal Service	15,000	
Meteorological Service	394,000	
Steamboat Inspection	126,000	
Investment in Docks, Wharves and Dredging $87,135,000		
Interest at 3½% on Docks, Wharves and Dredging	3,050,000	
Depreciation at 2% on Docks, Wharves ($14,044,000)	281,000	$17,492,000
T O T A L W A T E R W A Y S		$31,299,000

SCHEDULE 1 - ESTIMATED COST OF PUBLIC TRANSPORTATION IN CANADA, YEAR 1936 (Continued)

BORNE DIRECTLY BY THE PUBLIC

RAIL TRANSPORTATION

Steam Railways		
Gross Earnings from Operation Year 1936 (page 15 Steam Railway Statistics 1936)	$334,769,000	
Less Maritime Freight Rates Act (contra)	2,506,000	$332,263,000
TOTAL - Steam Railways		$332,263,000
Electric Railways		
Gross Earnings from Operation 1936 (Page 9, Electric Rly. Statistics)		$ 41,392,000

BORNE BY THE PUBLIC THROUGH INDIRECT TAXATION

RAIL TRANSPORTATION

FEDERAL GOVERNMENT - Steam Railways		
Canadian National Railways Deficit (Statement from Ottawa)	$43,303,000	
Administration of Department	238,000	
Board of Railway Commissioners	339,000	
Maritime Freight Rates Act	2,506,000	
Hudson Bay Railway	253,000	
Railway Grade Crossing Fund	54,000	
Interest on Orders of Steel Rails for C.N.R.	55,000	
To assist in promoting Tourist Business	50,000	
Interest at $3\frac{1}{2}\%$ on advances to railways ($838,423,000)	29,345,000	$76,143,000
PROVINCIAL GOVERNMENTS - Steam Railways		
Deficit on T. & N. O. (page 125 Steam Rly. Statistics)	$ 81,000	
Deficit on P. G. E. (page 125 Steam Rly. Statistics)	3,559,000	
Interest on Advances T. & N. O. $30,208,000 at $4\frac{1}{2}\%$ (D.B.S. 61)	1,359,000	
Interest on Advances P.G.E. $37,142,000 at $4\frac{1}{2}\%$ (D.B.S. 61)	1,671,000	6,670,000
TOTAL - FEDERAL & PROVINCIAL - Steam Railways		$82,813,000
PROVINCIAL GOVERNMENTS - Electric Railways		
Profit on operation 1936	$ 118,000	
Interest on Investment at $4\frac{1}{2}\%$ ($3,205,000)	144,000	
Depreciation on Investment 2% on $4,744,000	95,000	$ 121,000

SCHEDULE 1 - ESTIMATED COST OF PUBLIC TRANSPORTATION IN CANADA, YEAR 1936 (Continued)

BORNE DIRECTLY BY THE PUBLIC

RAIL TRANSPORTATION (Cont'd)

Electric Railways Brought Forward		$ 41,392,000
TOTAL - Electric Railways		$ 41,392,000

H I G H W A Y S (c)

Private Automobiles	$469,730,000	
Trucks and Trailers	310,297,000	
Buses	10,587,000	
Motorcycles, etc.	5,000,000	$795,614,000
TOTAL - Highways		$795,614,000

AIR TRANSPORTATION

Operating Revenues of Commercial Aviation and of Flying Clubs, Year 1936 (Page 6, Civil Aviation in Canada, 1936)	$ 2,700,000

BORNE BY THE PUBLIC THROUGH INDIRECT TAXATION

RAIL TRANSPORTATION (Cont'd)

PROVINCIAL GOVERNMENTS - Electric Railways Bt. Fwd.		$ 121,000
MUNICIPAL GOVERNMENTS - Electric Railways		
Profit on operation 1936 (Electric Rly. Statistics)	$ 2,373,000	
Depreciation, 2% on $75,405,000	1,508,000	865,000
Net Result Profit		$ 744,000

H I G H W A Y S

Deficit on Highways and Streets paid by Provinces and Municipalities		(d) $40,000,000
Federal Government on Highways		
Maintenance	$ 300,000	
Interest on Investment $3\frac{1}{2}\%$ on $8,425,000	295,000	
Depreciation 5% on $8,425,000	421,000	
To assist in promoting Tourist Business	200,000	1,216,000
TOTAL - Highways		$41,216,000

AIR TRANSPORTATION

FEDERAL GOVERNMENT (1936-1937, estimated from Special Statement of Treasury Officer)		
Administration and Supervision	$ 203,000	
St. Hubert Airport	44,000	
Grants to Clubs and Schools	110,000	
Wireless Service (50% of total cost)	167,000	
Maintenance of Airways and Airports	207,000	
Interest $3\frac{1}{2}\%$, Depreciation 3% on $6,000,000	390,000	$ 1,121,000

SCHEDULE 1 - ESTIMATED COST OF PUBLIC TRANSPORTATION IN CANADA, YEAR 1936 (Concluded)

BORNE DIRECTLY BY THE PUBLIC		BORNE BY THE PUBLIC THROUGH INDIRECT TAXATION	
AIR TRANSPORTATION (Cont'd)		AIR TRANSPORTATION (Cont'd)	
Brought Forward	$ 2,700,000	FEDERAL GOVERNMENT - Brought Forward	$ 1,121,000
		MUNICIPAL GOVERNMENTS Investment in Airports Dec. 31, 1936 $1,260,000 (Page 4, Civil Aviation in Canada, 1936) Interest at 4½% and Depreciation at 3%	95,000
TOTAL - Air Transportation	$ 2,700,000	TOTAL - FEDERAL AND MUNICIPAL EXPENDITURE	$ 1,216,000

SUMMARY

	Direct	Indirect	Total	%
Waterways	$ 38,824,000	$ 31,299,000	$ 70,123,000	5.3
Steam Railways	332,263,000	82,813,000	415,076,000	30.3
Electric "	41,392,000	- 744,000	40,648,000	3.0
Highways	795,614,000	41,216,000	836,830,000	61.1
Airways	2,700,000	1,216,000	3,916,000	0.3
TOTAL	$1,210,793,000	$155,800,000	$1,366,593,000	100.0
% of Total	88.5	11.5	100	

NOTES:- (a) Probably not strictly applicable to transportation.
(b) Estimated entirely, and applicable only to lake and coastwise traffic.
(c) Estimated entirely.
(d) Estimated as to municipalities.

SCHEDULE 2 - COMPARATIVE STATEMENT OF DOMINION OBLIGATIONS ASSUMED FOR OWNED WATER AND RAIL TRANSPORTATION FACILITIES

	1882	1903	1916	1921	1936
Investment in Canals	$40,254,000	$ 83,369,000	$120,153,000	$ 139,453,000	$ 242,726,000
Investment in Harbours, Docks, Wharves and Dredging	3,379,000	18,321,000	94,861,000	135,999,000	343,871,000(1)
Investment and Guarantees in Dominion owned Railways	43,027,000	86,033,000	319,814,000	1,850,636,000(2)	2,798,950,000(3)
Total Investment	$86,660,000	$187,723,000	$534,828,000	$2,126,088,000	$3,385,547,000
Total Per Capita Investment	$ 20.08	$ 33.46	$ 66.97	$ 238.70	$ 307.39
Miles of Railway in Canada (Excluding Yukon)	8,697	18,933	36,640	38,864	42,154
Population (Excluding Yukon and North West Territories)	4,315,000	5,611,000	7,986,000	8,907,000	11,014,000

(1) Before writeoffs of $1,375,000.
(2) Before writeoffs of $102,411,000.
(3) Before writeoffs of $789,206,000.

SCHEDULE 3 - FREIGHT TRAFFIC DENSITY IN MILLIONS OF NET TON MILES

PER MILE OF ROAD

Source: Pages 33-38 Report of Royal Commission on Railways and Transportation 1931-32

ZONE	HEAVY TRAFFIC Miles of Road Miles	%	Net Ton Miles Net Ton Miles	%	MEDIUM TRAFFIC Miles of Road Miles	%	Net Ton Miles Net Ton Miles	%	LIGHT TRAFFIC Miles of Road Miles	%	Net Ton Miles Net Ton Miles	%
Canadian National Railways												
(1) Atlantic Coast to Levis	none	-	none	-	1,470	43.45	1,530	92.34	1,913	56.55	127	7.66
(2) Quebec to Detroit & Sudbury	555	9.29	3,695	57.11	3,112	52.12	2,546	39.35	2,304	38.59	229	3.54
(3) Detroit & Sudbury to Port Arthur	-	-	-	-	1,015	87.58	709	98.20	144	12.42	13	1.80
(4) Port Arthur to Calgary & Edmonton	1,269	14.20	4,498	55.62	3,735	41.79	3,139	38.82	3,933	44.01	449	5.56
(5) Calgary & Edmonton to Pacific Coast	139	6.65	387	28.51	1,000	47.84	876	64.55	951	45.51	94	6.94
Total All Zones	1,963	9.11	8,580	46.91	10,332	47.97	8,800	48.10	9,245	42.92	912	4.99
Canadian Pacific Railway												
Zone 1	-	-	-	-	552	34.59	462	77.13	1,044	65.41	137	22.87
Zone 2	467	13.19	1,603	53.02	1,854	52.34	1,285	42.51	1,221	34.47	135	4.47
Zone 3	-	-	-	-	723	100.00	765	100.00	-	-	-	-
Zone 4	1,122	13.40	6,281	63.28	4,160	49.67	3,327	33.52	3,039	36.93	317	3.20
Zone 5	-	-	-	-	1,512	68.51	1,224	94.59	695	31.49	70	5.41
Total All Zones	1,589	9.66	7,884	50.52	8,801	53.53	7,063	45.26	6,053	36.82	659	4.22
All Lines												
Zone 1	-	-	-	-	2,096	39.87	2,051	87.99	3,161	60.13	280	12.01
Zone 2	1,501	13.39	7,562	60.35	5,810	51.83	4,570	36.47	3,899	34.78	398	3.18
Zone 3	-	-	-	-	2,061	93.47	1,624	99.21	144	6.53	13	0.79
Zone 4	2,391	13.67	10,779	59.82	7,901	45.16	6,475	35.93	7,203	41.17	767	4.25
Zone 5	139	2.35	387	13.79	2,518	42.62	2,102	74.88	3,251	55.03	318	11.33
GRAND TOTAL	4,031	9.58	18,728	50.17	20,386	48.45	16,822	45.07	17,658	41.97	1,776	4.76

SCHEDULE 4 - SUMMARY OF CANAL CONSTRUCTION PRIOR TO 1867

Source: Report of Minister of Public Works, 1867-1882 (Pages 1150 to 1163 inclusive)

	Construction Period	Depth of Water when First Opened	Date of Enlargement	Depth of Water in 1867	Expenditure to July 1, 1867
St. Lawrence Navigation					
Lachine	1821-1825	5 ft.	1843-1848	9 ft.	$ 2,587,533
Beauharnois	1842-1845	9 ft.	-	9 ft.	1,611,424
Cornwall	1834-1843	9 ft.	-	9 ft.	1,933,153
Williamsburg	1843-1847	9 ft.	-	9 ft.	1,320,656
Welland	1824-1829	8 ft.	1841-1846	9 ft.	7,638,240
Burlington Bay	1825-1832	10 ft.	-	10 ft.	432,684
Montreal & Kingston via Ottawa					
Ste. Anne's Lock	1840-1843	6 ft.	-	6 ft.	134,457
Carillon & Grenville	1819-1833	6 ft.	-	6 ft.	63,054
Rideau	1826-1832	5 ft.	-	5 ft.	4,064,764
River Tay Branch	1831-1834	4 ft.		4 ft.	17,764
Montreal & Lake Huron via Ottawa River					
Chats Canal	1854-1856	never completed			482,951
Richelieu & Lake Champlain					
St. Ours Lock and Dam	1844-1849	7 ft.	-	7 ft.	121,538
Chambly Canal	1831-1843	7 ft.	-	7 ft.	634,712
Trent Canal	1833-1844	5 ft.	-	5 ft.	309,371
St. Peter's Canal	1854- not finished				156,523
Desjardins Canal	1826-1837	5 ft.	-	5 ft.	150,948
Grand River Canal	Prior to 1841				197,861
General Work to waterways connecting canals					1,589,946
TOTAL					$23,447,579

SCHEDULE 5 - RAILWAY LINES IN OPERATION AT CONFEDERATION

NOVA SCOTIA

	MILES
Halifax to Pictou via Windsor Junction	144
Windsor Junction to Windsor	1
Total	145

NEW BRUNSWICK

Saint John to Point du Chene via Sussex and Moncton	108
Watt Junction to St. Andrews	27
Woodstock to St. Stephen via McAdam Junction	85
Debec Junction to Houlton, Me.	8
Total	228

QUEBEC

Longueuil to International Boundary via Richmond	125
St. Hubert to Victoria Bridge	4
Montreal to Lachine	8
L'Epiphanie to Joliette	12
Iberville to Highgate Springs, Vermont	29
Carillon to Grenville	13
Richmond to Chaudiere	87
Hadlow to Point Levis	2
Chaudiere to Riviere du Loup	116
Point St. Charles to Ontario Border	45
Laprairie to St. Johns	16
St. Johns to Rouse's Point, Laprairie Junction to St. Lambert and Montreal to Brousseau	51
Victoriaville to Doucet's Landing	53
Total	543

ONTARIO

Quebec border to Toronto, including Kingston Branch	290
Toronto to Collingwood	92
Toronto to Hamilton	37
Harrisburg to Guelph	28
St. Mary's to London	22
Toronto to Sarnia	168
London to Windsor	110
Suspension Bridge to London	120
London to Port Stanley	24
Black Rock to Goderich	159
Berlin to Doon	7
Waterloo to Elmira	10
Prescott to Ottawa	59
Niagara to Chipman	18
Cobourg to Peterborough	28
Brockville to Carleton Place	45
Komoka to Sarnia	39
Petrolia Branch	17
Smith's Falls to Perth	11
Port Hope to Lindsay	55
Port Dalhousie to Port Colborne via Allenburg Branch	33
Total	1,372

GRAND TOTAL	2,288

SCHEDULE 6 - TONNAGE HANDLED THROUGH CANADIAN CANALS, 1867 TO 1936

Source: Summary of Canal Statistics 1848-1936

Year end-ing (a)	St. Lawrence Canals	Burl-ington Bay	Welland	Sault Ste. Marie	Total St. Lawrence Waterway	Trent	Murray	Total Trent Navigation	Ottawa River	Rideau	Total Ottawa Navigation	Chambly Canal	St. Peters	St. Andrews	GRAND TOTAL
1867	906,299	172,384	933,260		2,011,943						813,381	410,430			3,235,754
1868	932,066	138,837	1,178,213		2,249,116						894,146	455,553			3,598,815
1869	965,002	129,264	1,237,012		2,331,278						880,563	400,788			3,612,629
1870	1,215,067	159,967	1,319,290		2,694,324						1,114,942	518,334			4,327,600
1871	1,146,274	141,882	1,485,640		2,773,796						958,397	549,442			4,281,635
1872	1,006,773	142,636	1,333,104		2,482,513						(b)774,419	376,559			3,633,491
1873	965,610	178,080	1,506,484		2,650,174				518,743	232,438	751,181	260,407	10,421		3,672,183
1874	1,001,573	174,556	1,389,173		2,565,302				559,988	182,200	742,188	257,820	12,248		3,577,558
1875	907,640	125,524	1,038,050		2,071,214				497,494	163,382	660,876	242,115	18,116		2,992,321
1876	947,538	99,351	1,099,810		2,146,699	31,812		31,812	514,481	137,802	652,283	208,426	752		3,039,972
1877	841,486	100,798	1,175,398		2,117,682	27,155		27,155	487,651	114,066	601,717	197,703	–		2,944,257
1878	804,760	88,702	968,758		1,862,220	10,488		10,488	454,793	109,939	564,732	157,288	–		2,594,728
1879	943,658	87,877	865,664		1,897,199	16,832		16,832	486,722	109,415	596,137	180,569	–		2,690,737
1880	1,072,556	98,608	819,934		1,991,098	18,224		18,224	644,549	101,298	745,847	202,067	4,045		2,961,281
1881	957,446	145,178	686,506		1,789,130	14,826		14,826	698,260	113,276	811,536	223,924	13,814		2,853,230
1882	911,050	107,329	790,643		1,809,022	19,783		19,783	790,400	108,425	898,825	263,711	8,359		2,999,700
1883	856,786	81,035	1,005,156		1,942,977	9,910		9,910	743,274	91,307	834,581	232,279	15,695		3,035,442
1884	727,048	75,895	837,811		1,640,754	13,049		13,049	673,760	76,389	750,149	199,146	19,115		2,622,213
1885	734,220	73,174	784,928		1,592,382	25,707		25,707	763,236	87,944	851,180	184,212	20,160		2,673,641
1886	913,600		980,135		1,893,735	19,216		19,216	745,335	90,990	836,325	193,940	25,887		2,969,103
1887	886,982		777,918		1,664,900	15,645		15,645	683,047	92,478	775,525	223,272	41,174		2,720,516
1888	781,599		878,800		1,660,399	14,799		14,799	693,249	112,248	805,497	241,753	39,149		2,761,597
1889	919,872		1,085,273		2,005,145	25,130		25,130	694,771	113,126	807,897	220,281	55,443		3,113,896
1890	853,853		1,016,165		1,870,018	24,679	18,783	43,462	651,355	113,574	764,929	202,407	32,231		2,913,047
1891	936,794		975,013		1,911,807	20,839	11,742	32,581	585,041	109,313	694,354	229,264	34,520		2,902,526
1892	966,755		955,554		1,922,309	22,513	13,729	36,242	647,011	96,366	743,377	270,766	59,042		3,031,736
1893	1,158,376		1,294,823		2,453,199	31,219	16,340	47,559	581,521	104,234	685,755	312,870	47,606		3,546,989
1894	886,778		1,008,221		1,894,999	36,271	21,888	58,159	562,010	94,479	656,489	277,608	55,460		2,942,715
1895	828,228		869,595	595,837	2,293,660	32,266	11,324	43,590	541,220	88,753	629,973	359,027	9,828		3,336,078
1896	1,113,690		1,279,987	4,577,399	6,971,076	21,145	13,056	34,201	502,046	73,307	575,353	344,935	65,508		7,991,073
1897	1,231,365		1,274,292	4,947,065	7,452,722	36,141	13,231	49,372	562,370	77,276	639,646	352,136	67,093		8,560,969
1898	1,439,134		1,140,077	3,055,387	5,634,598	26,676	15,543	42,219	549,986	54,946	604,932	271,336	64,490		6,617,575
1899	1,349,093		789,770	3,006,664	5,145,527	40,160	16,788	56,948	520,105	69,905	590,010	362,635	70,804		6,225,924

(a) Data for the years 1867 to 1871 inclusive are for the fiscal years ending June 30th, and all remaining data are for the calendar year ending December 31st.

(b) Year ending June 30th, 1872.

SCHEDULE 6 - TONNAGE HANDLED THROUGH CANADIAN CANALS, 1867 TO 1936 (Concluded)

Source: Summary of Canal Statistics 1848-1936

Year ending	St. Lawrence Canals	Burlington Bay	Welland	Sault Ste. Marie	Total St. Lawrence Waterway	Trent	Murray	Total Trent Navigation	Ottawa River	Rideau	Total Ottawa Navigation	Chambly Canal	St. Peters	St. Andrews	GRAND TOTAL
1900	1,309,066		719,360	2,035,677	4,064,103	43,572	19,067	62,639	389,145	75,432	464,577	348,561	73,813		5,013,693
1901	1,208,296		6[illegible]0,209	2,820,394	[illegible]	36,532	29,535	66,067	445,862	56,376	502,238	359,798	88,257		5,665,259
1902	1,093,133		665,387	4,729,268	[illegible]	41,690	35,178	76,868	444,682	50,879	495,561	379,442	73,538		7,513,197
1903	1,681,206		1,002,919	5,511,868	6,195,993	42,407	30,389	72,796	436,473	61,120	497,593	346,571	90,864		9,[illegible]03,817
1904	1,427,316		811,371	5,030,705	7,269,392	45,689	28,439	74,128	335,993	55,120	391,113	448,187	73,416		8,256,236
1905	1,752,855		1,092,050	5,473,406	8,318,311	45,231	29,421	74,652	390,771	59,864	450,635	447,069	81,077		9,371,744
1906	1,636,117		1,201,967	6,574,039	9,412,123	28,495	27,727	56,222	397,415	82,159	479,574	498,939	76,327		10,52[illegible]85
1907	2,100,466		1,614,132	15,588,165	19,302,763	69,806	52,402	122,203	336,850	82,369	419,219	625,282	73,167		20,542,639
1908	2,009,102		1,703,453	12,759,216	16,471,771	81,690	25,901	107,591	258,527	89,640	348,167	503,276	72,015		17,502,820
1909	2,410,629		2,025,951	27,861,245	32,297,825	59,952	102,291	162,243	336,939	91,774	428,713	752,117	79,850		33,720,748
1910	2,760,752		2,326,290	36,395,687	41,482,729	46,263	177,941	224,204	385,261	134,881	520,142	669,299	85,951	8,283	42,990,608
1911	3,105,708		2,537,629	30,951,709	36,595,046	57,290	163,457	220,747	320,071	172,227	492,298	599,329	75,298	47,135	38,030,[illegible]
1912	3,477,188		2,851,915	39,669,655	45,998,758	77,150	170,081	247,231	392,350	160,133	552,483	618,415	74,809	95,549	47,587,[illegible]
1913	4,302,427		3,570,714	42,699,324	50,572,465	58,800	180,576	239,376	365,438	171,223	536,661	555,602	[illegible],514	81,295	52,056,913
1914	4,391,493		3,860,969	27,599,184	35,851,646	67,715	83,907	151,622	335,132	151,739	486,871	436,905	54,180	42,013	37,025,237
1915	3,409,467		3,061,012	7,750,957	14,221,436	49,904	30,728	80,632	272,370	120,781	393,151	478,707	2,895	21,982	15,198,803
1916	3,368,064		2,544,964	16,813,649	22,726,677	45,009	46,680	91,689	237,651	105,430	343,081	398,977	9,629	13,438	23,583,491
1917	3,391,144		2,490,542	15,447,092	21,328,778	48,924	57,603	106,527	214,835	84,549	299,384	434,818	62,254	7,174	22,238,935
1918	3,031,134		2,174,298	12,913,711	18,119,143	64,893	44,735	109,628	167,170	54,136	221,306	369,186	59,716	4,640	18,883,619
1919	2,891,619		2,170,779	4,138,085	9,200,483	52,953	108,250	161,203	218,438	103,539	321,977	242,961	64,879	3,763	9,995,266
1920	3,067,962		2,276,072	2,477,818	7,821,852	53,660	136,235	189,895	233,329	97,837	331,166	325,322	61,373	5,775	8,735,383
1921	3,734,065		3,076,422	1,997,592	8,808,079	44,247	45,280	89,527	171,769	95,012	266,781	180,280	56,123	6,231	9,407,021
1922	4,319,919		3,391,419	1,709,060	9,420,398	43,038	1,843	44,881	213,227	86,382	299,609	183,043	52,737	25,387	10,026,055
1923	4,541,528		3,755,912	2,255,929	10,553,369	31,402	3,144	34,546	233,092	81,299	314,391	213,190	46,574	37,364	11,199,434
1924	5,536,374		5,037,412	1,631,548	12,205,334	41,099	2,715	43,814	205,534	85,986	291,520	225,518	51,929	50,982	12,869,097
1925	6,206,988		5,640,298	1,634,970	13,482,256	36,302	1,174	37,476	214,940	85,785	300,725	203,720	35,691	70,799	14,130,667
1926	6,123,701		5,214,514	1,423,275	12,761,490	27,692	895	28,587	321,456	56,052	377,508	204,042	43,545	62,491	13,477,663
1927	7,912,952		7,247,459	1,470,551	16,630,962	27,754	712	28,466	455,759	57,951	513,710	204,536	46,306	64,331	17,488,311
1928	8,411,542		7,439,617	2,007,137	17,858,296	36,311	1,385	37,696	487,786	51,999	539,785	179,868	52,848	51,948	18,720,441
1929	5,718,651		4,769,866	2,374,119	12,862,636	17,843	4,875	22,718	537,037	45,901	582,938	123,077	49,650	58,628	13,699,647
1930	6,179,023		6,087,910	1,691,471	13,958,401	23,785	2,316	26,101	540,933	28,210	569,143	99,998	59,973	89,715	14,803,334
1931	6,036,980		7,273,886	2,219,567	15,530,453	23,172	889	24,061	492,919	27,521	520,440	50,336	47,[illegible]28	16,276	16,189,074
1932	6,693,800		8,537,460	2,337,201	17,568,461	5,189	424	5,613	253,523	25,690	279,213	29,350	40,831	37,182	17,960,650
1933	6,951,064		9,194,130	2,269,957	18,415,151	6,541	3,310	9,651	253,764	21,868	275,632	26,912	31,792	21,351	18,780,489
1934	6,660,052		9,280,452	1,727,152	17,667,656	4,624	8,757	13,381	273,121	21,846	294,967	33,326	52,640	7,282	18,069,252
1935	6,873,655		8,953,383	1,932,047	17,759,085	14,157	4,921	19,078	289,526	20,426	309,952	44,219	54,592	19,063	18,205,989
1936	8,288,524		10,436,803	2,278,236	21,003,563	24,047	4,906	28,953	261,493	15,604	277,097	79,731	56,257	23,215	21,468,816

Source: National Ports Survey Report, 1931-1932

	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	British Columbia	Yukon and North West Territories	Canada
Inland and Canal ports	-	-	-	-	84	2	2	2	90
Seaboard ports	34	144	54	46	-	2	29	-	309
Total number of ports	34	144	54	46	84	4	31	2	399
Dept. of Marine through Harbour Master	32	136	48	38	34	-	15	-	303
Dept. of Marine through Harbour Commissions	-	1	1	4	4	1	3	-	14
Dept. of Railways and Canals	-	-	-	-	-	2	-	-	2
Federal Ports	32	137	49	42	38	3	18	-	319
Provincial and Others	2	7	5	4	46	1	13	2	80

List of Harbour Commissions

Province

Nova Scotia........................Halifax, (including Dartmouth)
New Brunswick......................Saint John
Quebec.............................Quebec, (including Levis)
Ontario............................Toronto
Trenton
Hamilton
Belleville
Manitoba...........................Winnipeg, (including St. Boniface)
British Columbia...................Vancouver, (including Flase Creek and English Bay)
New Westminster
North Fraser

In the ports that the Department of Marine administers directly through harbour master, the only charges - and the harbour master's sole remuneration - are harbour fees, which, in at least half of the ports, amount to so little that the harbour masters may almost be said to hold honorary positions, and the ports to be exempt of all charges.

SCHEDULE 8 - CROW'S NEST PASS AGREEMENT

Statutes of Canada,1897 - 60-61 Vict. Chapter 5.

1. Subject to the conditions hereinafter mentioned, the Governor in Council may grant to the Canadian Pacific Railway Company a subsidy toward the construction of a railway from Lethbridge, in the district of Alberta, through the Crow's Nest Pass to Nelson, in the Province of British Columbia (which railway is hereinafter called "the Crow's Nest Line,") to the extent of eleven thousand dollars per mile thereof, and not exceeding in the whole the sum of three million six hundred and thirty thousand dollars, payable by instalments on the completion of each of the several sections of the said railway of the length respectively of not less than ten miles, and the remainder on the completion of the whole of the said railway; provided that an agreement between the Government and the Company is first entered into in such form as the Governor in Council thinks fit, containing covenants to the following effect, that is to say:-

On the part of the Company:

(a) That the Company will construct or cause to be constructed, the said railway upon such route and according to such descriptions and specifications and within such time or times as are provided for in the said agreement, and, when completed, will operate the said railway for ever;

(b) That the said line of railway shall be constructed through the town of Macleod, and a station shall be established therein, unless the Governor in Council is satisfied by the Company that there is good cause for constructing the railway outside the limits of the said town, in which case the said line of railway shall be located and a station established at a distance not greater than five hundred yards from the limits of the said town;

(c) That so soon as the said railway is opened for traffic to Kootenay Lake, the local rates and tolls on the railway and on any

other railway used in connection therewith and now or hereafter owned or leased by or operated on account of the company south of the company's main line in British Columbia, as well as the rates and tolls between any point on any such line or lines of railway and any point on the main line of the company throughout Canada, or any other railway owned or leased by or operated on account of the company, including its lines of steamers in British Columbia, shall be first approved by the Governor in Council or by a railway commission, if and when such commission is established by law, and shall at all times thereafter and from time to time be subject to revision and control in the manner aforesaid;

(d) That a reduction shall be made in the general rates and tolls of the Company as now charged, or as contained in its present freight tariff, whichever rates are now the lowest, for carloads or otherwise, upon the classes of merchandise hereinafter mentioned, westbound, from and including Fort William and all points east of Fort William on the Company's railway to all points west of Fort William on the Company's main line, or on any line of railway throughout Canada owned or leased by or operated on account of the Company, whether the shipment is by all rail line or by lake and rail, such reduction to be to the extent of the following percentages respectively, namely:-

Upon all green and fresh fruits, 33-1/3 per cent;
Coal oil, 20 per cent;
Cordage and binder twine, 10 per cent;
Agricultural implements of all kinds, set up or in parts, 10 per cent;
Iron, including bar, band, Canada plates, galvanised sheet, pipe, pipe-fittings, nails, spikes and horse shoes, 10 per cent;
All kinds of wire, 10 per cent;
Window glass, 10 per cent;
Paper for building and roofing purposes, 10 per cent;
Roofing felt, box and packing, 10 per cent;
Paints of all kinds and oils, 10 per cent;
Live Stock, 10 per cent;
Wooden ware, 10 per cent;
Household furniture, 10 per cent;.

And that no higher rates than such reduced rates or tolls shall be hereafter charged by the Company upon any such merchandise

carried by the Company between the points aforesaid; such reductions to take effect on or before the first of January, one thousand eight hundred and ninety-eight;

(e) That there shall be a reduction in the Company's present rates and tolls on grain and flour from all points on its main line, branches or connections, west of Fort William to Fort William and Port Arthur and all points east, of three cents per one hundred pounds, to take effect in the following manner:- One and one-half cent per one hundred pounds on or before the first day of September, one thousand eight hundred and ninety-eight, and an additional one and one-half cent per one hundred pounds on or before the first day of September, one thousand eight hundred and ninety-nine; and that no higher rates than such reduced rates or tolls shall be charged after the dates mentioned on such merchandise from the points aforesaid;

(f) That the Railway Committee of the Privy Council may gramt running powers over the said line of railway and all its branches and connections, or any portions thereof, and all lines of railway now or hereafter owned or leased by or operated on account of the Company in British Columbia south of the Company's main line of railway, and the necessary use of its tracks, stations and station grounds, to any other railway company applying for such grant upon such terms as such committee may fix and determine, and according to the provisions of The Railway Act and of such other general Acts relating to railways as are from time to time passed by Parliament; but nothing herein shall be held to imply that such running powers might not be so granted without the special provision herein contained;

(g) That the said railway, when constructed, together with that portion of the Company's railway from Dunmore to Lethbridge, and all lines of railway branches, connections and extensions in British Columbia south of the main line of the Company in British Columbia shall be subject to the provisions of The Railway Act and of such

other general Acts relating to railways as are from time to time passed by Parliament;

(h) That if the Company or any other company with whom it shall have any arrangement on the subject shall, by constructing the said railway or any part of it, as stipulated for in the said agreement, become entitled to and shall get any land as a subsidy from the Government of British Columbia, then such lands, excepting therefrom those which in the opinion of the Director of the Geological Survey of Canada (expressed in writing) are coal-bearing lands, shall be disposed of by the Company or by such other company to the public according to regulations and at prices not exceeding these prescribed from time to time by the Governor in Council, having regard to the then existing provincial regulations applicable thereto; the expression "lands" including all mineral and timber thereon which shall be disposed of as aforesaid, either with or without the land, as the Governor in Council may direct;

(i) That if the Company or any other company with whom it shall have any arrangement on the subject shall, by constructing the said railway or any part of it as stipulated for in the said agreement, become entitled to and shall get any lands as a subsidy from the Government of British Columbia which in the opinion of the Director of the Geological Survey of Canada (expressed in writing) are coal-bearing lands, then the Company will cause to be conveyed to the Crown, in the interest of Canada, a portion thereof to the extent of fifty thousand acres, the same to be of equal value per acre as coal lands with the residue of such lands. The said fifty thousand acres to be selected by the Government in such fair and equitable manner as may be determined by the Governor in Council, and to be thereafter held or disposed of or otherwise dealt with by the Government as it may think fit on such conditions, if any, as may be prescribed by the Governor in Council, for the purpose of securing a sufficient and suitable supply of coal to the public at reasonable prices, not exceeding two dollars

per ton of two thousand pounds free on board cars at the mines.

And on the part of the Government, to pay the said subsidy by instalments as aforesaid.

2. The Company shall be bound to carry out in all respects the said agreement, and may do whatever is necessary for that purpose.

3. In order to facilitate such financial arrangements as will enable the Company to complete the railway as aforesaid without delay and to acquire and consolidate with it the railway from Dunmore to Lethbridge, hereinafter called "the Alberta Branch," which, under the authority of chapter thirty-eight of the statutes of 1893, it now operates as leasee, and is under covenant to purchase, the Company may issue bonds which will be a first lien and charge and be secured exclusively upon the said Alberta Branch and Crow's Nest Line together in the same way and with the same effect as if both the said pieces of railway to be so consolidated were being built by the Company as one branch of its railway within the meaning of section one of chapter fifty-one of the statutes of 1888, and that section shall apply accordingly, such first lien to be subject to the payment of the purchase money of the Alberta Branch, as provided for in the said covenant to purchase.

Subsequent Modifications of the Agreement

In October 1903 the grain and flour rates were reduced voluntarily by the Canadian Pacific (below the level of the agreement) by two to four cents to compete with the Canadian Northern rates under the Manitoba Agreement. At the time of the Board's consideration of the railways' application in the so-called "Fifteen Per Cent Case" (see Schedule 22) it was held that the Crow's Nest Pass Agreement would not permit a general increase of 15 per cent.

In the "Twenty Five Per Cent" case (see Schedule 22) the restrictive force of the "Agreement" was suspended by Order in Council, P.C. 1863 enacted under the "War Measures Act, 1914", in these terms:

"1. Notwithstanding the provisions of any legislation heretofore passed, or of any rate-limiting agreement heretofore, made, the charges for the carriage of the freight on all railways owned, operated or controlled by the Government of Canada, and all other railways subject to the jurisdiction of the Parliament of Canada, shall be increased to the extent and in the manner hereinafter set out," (8-BRC 290).

On July 7, 1919, an amendment to section 325 of the Railway Act suspended the application of the Crow's Nest Agreement for three years by the following provision:-

"(5) Notwithstanding the provisions of section three the powers given to the Board under this Act to fix, determine, and enforce just and reasonable rates, and to change and alter rates as changing conditions or cost of transportation may from time to time require, shall not be limited or in any manner affected by the provisions of any Act of the Parliament of Canada, whether general in application or special and relating only to any specific railway or railways, and the Board shall not excuse any charge of unjust discrimination, whether practised against shippers, consignees, or localities, or of undue or unreasonable preference, on the ground that such discrimination or preference is justified or required by an agreement made or entered into by the Company: Provided that this subsection shall remain in force only during the period of three years from and after the date of the passing of this Act."

Following a report of a Special Committee appointed by Parliament in 1922, to inquire into railway transportation costs, Chapter 41, 12-13 George V, was passed. It provided as follows:-

"1. Subsection five of section three hundred and twenty-five of the Railway Act, 1919, shall, notwithstanding the proviso thereof, remain in effect until the sixth day of July, 1923, and may be continued in force for a further period of one year by Order of the Governor in Council published in the CANADA GAZETTE: Provided that, notwithstanding anything herein or in said subsection five contained, rates on grain and flour shall, on and from the sixth day of July, 1922, be governed by the provisions of the agreement made pursuant to Chapter five of the Statutes of Canada, 1897."

This amendment unconditionally re-instated the Crow's Nest Pass Agreement as to grain and flour as an obligation upon the Canadian Pacific Railway.

On the commodities other than grain and flour the suspension of the Agreement was continued under the Railway Act and Order in Council 1219 of June 30, 1923 until July 6, 1924 and then terminated. Tariffs were thereupon filed by the Canadian Pacific giving strict effect to the terms of the original agreement. That is, the Company published rates on westbound commodities applicable only on parts of the railway in operation at the time of the making of the agreement. The Canadian National, although not bound by the agreement, published the Canadian Pacific Crow's Nest rates from strictly competitive points in Eastern Canada and from the head-of-the-lakes to strictly competitive destinations in Western Canada. This action resulted in many anomalies and discriminations of a kind that could not be justified under the discriminatory and reasonableness sections of the Railway Act. The Board, under General Order No.408, disallowed all these tariffs, holding that "it is impossible to make a fair and reasonable adjustment of rates and tolls as between one locality and another, and as between the shipper and the railroads". Therefore, effective October 27, 1924, the rates in force prior to July 7, 1924, were again made effective. Following the Board's decision the matter was reviewed by the Supreme Court of Canada, whose decision, dated February 26, 1925, is given in the text of Order in Council (P.C.886), which is quoted in full below because of its importance in Canadian rate-making practice. In brief, the Supreme Court sustained the Statute of 1897 and reversed the decision of the Board, which had ordered rates higher than those stipulated in the Crow's Nest Agreement.

ORDER IN COUNCIL P.C. 886, JUNE 5, 1925.

"The Committee of the Privy Council have had under consideration the final disposition of the petition to the Governor in Council of the Governments of the provinces of Alberta, Saskatchewan, and Manitoba by way of appeal from a General Order No.408 of the Board of Railway Com issioners for Canada (hereinafter referred to as the "Board"), dated the 14th day of October, 1924, under which certain tariffs of the Canadian Pacific Railway Company and Canadian National Railways were disallowed and required to be withdrawn from operation.

"In and by the said petition the petitioners seek to have the above mentioned general order of the Board rescinded and further to have the discrimination which would be created by the reinstatement of the tariffs disallowed by the Board removed by lowering other rates to the level of the rates in effect on Crow's Nest commodities, so-called, prior to the effective date of the said order.

"Upon the hearing it appeared that the petitioners had appealed to the Supreme Court of Canada to have determined certain questions of law and jurisdiction of the Board arising in connection with the Board's general order above mentioned. The Committee, being of the opinion that, whatever the power of council might be in the premises, it was essential that it should be advised as to the exact situation in reference to these questions of law and jurisdiction before finally disposing of this matter, and that the operation of the said general order of the Board should be postponed pending the outcome of the said appeal to the Supreme Court, recommended in part that the said general order of the Board be varied so as to provide that the tariffs therein referred to should again become operative and remain in effect until further order of the Board following the decision of the Supreme Court of Canada on the said appeal to it. Effect was given to this recommendation by

the issue of Order in Council (P.C. 220) dated the 25th day of December, 1924.

"It appears that the Supreme Court of Canada, after argument in which were heard not only counsel for the present petitioners and the railway companies interested, but also counsel for the province of British Columbia, the Maritime Provinces, the cities of Edmonton, Alberta, and Saskatoon, Saskatchewan, and Brantford, Ontario, and after reserving judgment, directed that the questions submitted to it be answered as follows:-

"QUESTION 1. Whether, as a matter of law, the Board is empowered, under jurisdiction conferred upon it by the Railway Act, or otherwise, to authorize railway rates upon the railway of the Canadian Pacific Railway Company in excess of the maximum rates referred to in the Crow's Nest Pass Act, being chapter 5, 60-61 Victoria, Statutes of Canada, and in the Agreement therein referred to, upon the commodities therein mentioned.

"ANSWER. No.

"QUESTION 2. If the court shall be of the opinion that the Crow's Nest Pass Act or Agreement is binding upon the Board of Railway Commissioners for Canada, then, according to the construction of the Crow's Nest Pass Act, section 1, clause (d), and the Agreement made thereunder, -

(a) 1. Are the rates therein provided applicable to traffic westbound from Fort William and from all points east of Fort William now on the Canadian Pacific Railway Company's railway?

"ANSWER. No.

"(a) 2. Are such rates confined to westbound traffic originating at Fort William and at such points east of Fort William as were, at the date of the passing of the Act and (or) the making of the Agreement, on the Company's line of railway?

"ANSWER. Yes.

"(b) Are such rates applicable to traffic originating at points east of Fort William which were, at the date of the passing of the Act and (or) the making of the agreement, on any line of railway owned or leased by or operated on account of the Canadian Pacific Railway?

"ANSWER. In order that the traffic provided for by clause (d) should fall under that clause it must originate at Fort William or some point east thereof which at the date of the agreement was "on the company's railway."

"(c) Are the rates therein provided applicable to traffic destined to points west of Fort William which are now on the Canadian Pacific Railway Company's railway or on any line of railway owned or leased by or operated on account of the Canadian Pacific Railway Company?

"ANSWER. In order that the rates prescribed in clause (d) should apply the destination of traffic otherwise within that clause must be a point which was, at the date of the Agreement, "on the company's main line" or on (some) line of railway throughout Canada owned or leased by or operated on account of the company."

"(d) Are such rates confined to traffic destined to points west of Fort William which were, at the date of the passing of the Act or the making of the Agreement, on the Canadian Pacific Railway Company's railway, or on any line of railway owned or leased by or operated on account of the Canadian Pacific Railway Company?

"ANSWER. Yes.

"QUESTION 3. Whether, as a matter of law, the Board is empowered, under the jurisdiction conferred upon it by the Railway Act, or otherwise, to authorize rates upon the Canadian Pacific Railway on grain and flour from all points on the main line, branches or connections of the company west of Fort William to Fort William and Port Arthur, and all points east beyond the maximum rates

specified in the Crow's Nest Pass Act and Agreement, and referred to in chapter 41, Statutes of Canada (1922)

"ANSWER. No.

"Upon the hearing before Your Excellency in Council it appeared that the re-establishment of the rates provided for in the Crow's Nest Pass Agreement upon the limited list of commodities and between the points specified therein had brought about considerable variations in the rates applicable thereto prior to the 7th day of July, 1924, and it was urged on behalf of a large section of the Dominion, and in particular by counsel for the cities of Edmonton, Alberta, and Saskatoon, Saskatchewan, and the Maritime Provinces, as well as representatives of responsible trade organizations in the provinces of Ontario and Quebec that the establishment of these rates would disrupt the rate structure built up under the control of the Board since its creation, with consequent serious injury to trade relationships throughout the Dominion.

"It was also urged that sources of supply had changed since the Agreement was made and that certain commodities which were formerly shipped in large quantities from Eastern Canada to the Prairie Provinces are now largely supplied either by local industries or from British Columbia, which latter province, it was alleged, would be cut off from a large part of its natural market by the permanent restoration of the Crow's Nest rates.

"It was further urged that the continuance of the Crow's Nest rates (so-called) would compel the Canadian National Railways to make similar reductions from all competitive points, and thus involve a serious loss in revenue to them which would have to be made up from other Government sources and further postpone the time when it would be possible to make any general rate readjustment or to solve satisfactorily the problem of the National Railways.

"The Committee observe that the agreement in question was made at a time when the Canadian Pacific Railway Company was the only company having a through line of railway extending through the Prairie Provinces and British Columbia, and before the creation of the Board for the control of railway rates under the provision of the Railway Act of 1903 and subsequent Acts; and further, that the underlying purpose of the rate control inaugurated by the Railway Act of 1903 was to do away as far as possible with all unjust discriminations and undue preferences, and to secure a fair and reasonable rate structure, which under substantially similar circumstances and conditions would be equal in its application to all persons and localities.

"The Committee are of the opinion that the policy of equalization of freight rates should be recognized to the fullest possible extent as being the only means of dealing equitably with all parts of Canada, and as being the method best calculated to facilitate the interchange of commodities between the various portions of the Dominion, as well as the encouragement of industry and agriculture and the development of export trade.

"The Committee are further of the opinion that to give effect to this policy, and considering the submission made by counsel and important trade organizations representing different provinces and localities in the Dominion as to the disadvantages that would be suffered by such provinces and localities by any partial or incomplete consideration of the freight rate structure, a thorough and complete investigation of the whole subject of railway freight rates in the Dominion should be carried out by the Board of Railway Commissioners, the body constituted by Parliament with full powers under statute to fix and control railway rates.

"The Committee are further of the opinion that as the production and export of grain and flour forms one of the chief assets of the Dominion, and in order to encourage the further

development of the great grain growing provinces of the West, on which development the future of Canada in large measure depends, it is desirable that the maximum cost of the transportation of these products should be determined and known, and therefore are of opinion that the maximum established for rates on grain and flour, as at present in force under the Crow's Nest Pass Agreement, should not be exceeded.

"The Committee are further of the opinion that, before such investigation is undertaken, it is essential to ensure that the provisions of the Railway Act in reference to tariffs and tolls, and the jurisdiction of the Board thereunder, be unfettered by any limitations other than the provisions as to grain and flour hereinbefore mentioned.

"The Committee therefore advise that the Board be directed to make a thorough investigation of the rate structure of railways and railway companies subject to the jurisdiction of Parliament, with a view to the establishment of a fair and reasonable rate structure, which will, under substantially similar circumstances and conditions,be equal in its application to all persons and localities, so as to permit of the freest possible interchange of commodities between the various provinces and territories of the Dominion and the expansion of its trade, both foreign and domestic, having due regard to the needs of its agricultural and other basic industries, and in particular to:-

(a) The claim asserted on behalf of the Maritime Provinces that they are entitled to the restoration of the rate basis which they enjoyed prior to 1919;

(b) The encouragement of the movement of traffic through Canadian Ports:

(c) The increased traffic westward and eastward through Pacific coast ports owing to the expansion of trade with the Orient and to the transportation of products through the Panama Canal.

"The committee further advise that legislation be introduced at the present session of Parliament, making it clear that the provisions of the Railway Act of 1919 in respect of tariffs and tolls shall, save in the particular above mentioned, be operative notwithstanding any special Acts or agreements and removing all doubts as to the validity of tariffs heretofore filed.

"The committee submit the same for Your Excellency's approval.

RAILWAY ACT AMENDMENT OF 1919.

Upon the decision of the Supreme Court confirming the limited obligation of the Canadian Pacific Railway to apply the Crow's Nest basis to its 1897 lines, and leaving the remedy for action by the Parliament of Canada, a further amendment was made to subsection five of Section 325 of the Railway Act, 1919 as follows:-

"Notwithstanding the provisions of section three of this Act the powers given to the Board under this Act to fix, determine and enforce just and reasonable rates, and to change and alter rates as changing conditions or cost of transportation may from time to time require, shall not be limited or in any manner affected by the provisions of any Act of the Parliament of Canada, or by any agreement made or entered into pursuant thereto, whether general in application or special and relating only to any specific railway or railways, and the Board shall not excuse any charge of unjust discrimination, whether practised against shippers, consignees, or localities, or of undue or unreasonable preference, on the ground that such discrimination or preference is justified or required by any agreement made or entered into by the company: Provided that, notwithstanding anything in this subsection contained, rates on grain and flour shall, on and from the twenty-seventh day of June, one thousand nine hundred and twenty-five, be governed by the provisions of the agreement made pursuant to chapter five of the Statutes of Canada 1897, but such rates shall apply to all such traffic moving from all points on all lines of railway west of Fort William to Fort William or Port Arthur over all lines now or hereafter constructed by any company subject to the jurisdiction of Parliament."
(Assented to June 27, 1925).

This amendment removed the statutory obligations referring to westbound traffic but applied the 1897 rates on grain and flour to all lines of railway, including those of the Canadian National, though that Company was not a party to the original agreement. The amendment to the Railway Act removed any possible contention as to discrimination or preference resulting from the Crow's Nest agreement in the entire territory west of Fort William served by the two large railways.

Following this amendment, the Board issued its General Order No.419 directing the re-establishment of the rates in effect prior to July 7, 1924, which were made effective July 23, 1925, and are the present day rates. The Board also issued its General Order No.420 of July 8, 1925, directing the railways to comply, as to the rates on grain and flour, with the provisions of the revised Act within fifteen days from the date of the Order.

(a)
SCHEDULE 9 - SUMMARY OF DOMINION OBLIGATIONS IN RESPECT TO TRANSPORTATION BY REGIONS, 1916

	Maritimes	Quebec	Ontario	Prairies	British Columbia	Total
Railways						
Direct Investment	$ 95,708,000	$ 85,905,000	$ 85,502,000	$ 40,919,000	$ 20,233,000	$328,267,000
Cash Subsidies (Net amount)	6,091,000	18,943,000	27,702,000	6,918,000	13,575,000	73,229,000
Loans	-	9,526,000	16,861,000	48,844,000	24,469,000	99,700,000
Guarantees	-	890,000	38,620,000	77,323,000	17,174,000	134,007,000
Total Railways	$101,799,000	$115,264,000	$168,685,000	$174,004,000	$ 75,451,000	$635,203,000
Direct Total Investment in Canals	$ 649,000	$ 30,617,000	$ 87,314,000	$ 1,573,000	$ -	$120,153,000
Direct Total Investment in Harbours, Docks, Wharves and Dredging	9,641,000	61,958,000	16,325,000	-	6,937,000	94,861,000
GRAND TOTAL	$112,089,000	$207,839,000	$272,324,000	$175,577,000	$ 82,388,000	$850,217,000
Population	965,000	2,154,000	2,713,000	1,698,000	456,000	7,986,000
Per Capita Basis						
Railways	$ 105	$ 53	$ 62	$ 102	$ 166	$ 80
Canals	1	14	32	1	-	15
Harbours	10	29	6	-	15	12
Total	$ 116	$ 96	$ 100	$ 103	$ 181	$ 107

(a) Including guarantees but excluding land subsidies and railway equipment.

SCHEDULE 10 - CANADIAN NATIONAL RAILWAYS

CAPITAL EXPENDITURES 1923-1931

Source: Report of the Royal Commission to Inquire into Railways and Transportation in Canada 1931-2, page 19.

New Lines Constructed or Acquired		$ 92,037,000
In Canada	$ 89,909,000	
In United States	2,128,000	
Montreal Terminal Development		14,637,000
Additions and Betterments to Roadway		149,943,000
Canada	$108,745,000	
United States	41,198,000	
Rolling Stock		132,995,000
Canada	$120,873,000	
United States	12,122,000	
Lake and River Services		4,599,000
Canada	$ 2,639,000	
United States	1,960,000	
Railway Telegraphs		2,377,000
Canada	$ 1,831,000	
United States	546,000	
Total Rail and Inland Water Services		$396,588,000
Investment in Railways jointly owned by C.N.R. and C.P.R.		17,936,000
Coastal Services		7,201,000
Hotels		22,154,000
Commercial Telegraphs		5,961,000
Investments in other companies		6,506,000
TOTAL		$456,345,000

SCHEDULE 11 - SUMMARY OF DOMINION OBLIGATIONS IN RESPECT TO TRANSPORTATION BY REGIONS, 1936 (a)

	Maritimes	Quebec	Ontario	Prairies	British Columbia	Total
Railways (b)	$289,256,000	$501,332,000	$1,122,365,000	$701,546,000	$285,891,000	$2,900,390,000
Canals	649,000	31,344,000	209,163,000	1,570,000	-	242,726,000
Harbours, Docks, Wharves and Dredging	57,615,000	190,993,000	35,198,000	19,504,000	40,561,000	343,871,000
Total	$347,520,000	$723,669,000	$1,366,726,000	$722,620,000	$326,452,000	$3,486,987,000
Population	1,064,000	3,096,000	3,690,000	2,414,000	750,000	11,014,000
Per Capita Basis						
Railways	$ 272	$ 162	$ 304	$ 291	$ 381	$ 263
Canals	1	10	56	1	-	22
Harbours and Dredging	54	62	10	8	54	31
Total	$ 327	$ 234	$ 370	$ 300	$ 435	$ 316

(a) Before writeoffs, including guarantees but excluding land subsidies and railway rolling stock.

(b) Distribution estimated.

SCHEDULE 12 - POPULATION AND STEAM RAILWAY MILEAGE IN CANADA BY REGIONS, 1867-1936

Source: Canada Year Book for population. Steam Railway Statistics 1936 except for years 1867, 1882, 1903 which were distributed by using mileage of individual railways.

	Maritimes	Quebec	Ontario	Prairies	British Columbia	Total
Population in thousands						
1867	723	1,123	1,525	60	32	3,463
1882 (1881 Census)	871	1,360	1,927	118	49	4,325
1903	891	1,709	2,217	574	220	5,611
1906	895	1,784	2,299	809	279	6,066
1911	938	2,006	2,527	1,327	393	7,191
1916	965	2,154	2,713	1,698	456	7,986
1921	1,001	2,361	2,934	1,955	525	8,776
1926	998	2,603	3,164	2,068	606	9,439
1931	1,009	2,874	3,432	2,354	694	10,363
1936	1,064	3,096	3,690	2,414	750	11,014
Steam Railway Mileage						
1867	373	543	1,372	-	-	2,288
1882	1,577	1,838	4,341	941	-	8,697
1903	2,758	3,420	7,115	4,183	1,457	18,933
1906	2,968	3,501	7,339	5,966	1,576	21,350
1911	3,171	3,882	8,322	8,081	1,842	25,298
1916	3,666	4,733	11,053	13,582	3,604	36,638
1921	3,679	4,971	10,976	15,270	3,968	38,864
1926	3,638	4,767	10,869	16,612	4,072	39,958
1931	3,638	4,926	10,905	18,316	4,097	41,882
1936	3,554	4,777	10,746	19,171	3,907	42,155
Population Per Mile of Steam Railway						
1867	1,938	2,068	1,112	-	-	1,514
1882	552	740	444	125	-	497
1903	323	500	312	137	151	296
1906	302	510	313	136	177	284
1911	296	517	304	164	213	284
1916	263	455	245	124	127	218
1921	272	475	267	128	132	226
1926	274	546	291	124	149	236
1931	277	583	315	129	169	247
1936	299	648	343	126	192	261

SCHEDULE 13 - TRAFFIC STATISTICS OF CANADIAN RAILWAYS, 1907-1936

Source: Steam Railway Statistics and Canada Year Book.

Year	Tons Carried (thousands)	Ton Miles (millions)	Passengers Carried (thousands)	Passenger Miles (millions)	Ton Miles Per Capita	Passenger Miles Per Capita
1907	63,866	11,688	32,137	2,050	1,823	320
1908	63,071	12,962	34,045	2,082	1,957	314
1909	66,842	13,161	32,683	2,033	1,935	299
1910	74,483	15,712	35,895	2,467	2,248	353
1911	79,884	16,048	37,098	2,606	2,227	362
1912	89,444	19,558	41,124	2,910	2,647	394
1913	108,993	23,033	46,231	3,266	3,018	428
1914	101,394	22,063	46,702	3,089	2,800	392
1915	87,205	17,661	46,322	2,484	2,213	311
1916	109,659	28,195	43,503	2,727	3,524	341
1917	121,916	31,187	48,107	3,150	3,869	391
1918	127,544	31,029	44,949	3,161	3,808	388
1919(a)	116,700	27,724	43,754	3,075	3,336	370
1919(b)	111,488	26,951	47,940	3,658	3,243	440
1920	127,429	31,894	51,318	3,522	3,728	412
1921	103,131	26,622	46,793	2,961	3,029	337
1922	108,531	30,368	44,384	2,814	3,405	316
1923	118,290	34,068	44,834	3,076	3,781	341
1924	106,429	30,514	42,922	2,872	3,337	314
1925	109,851	31,965	41,458	2,911	3,439	313
1926	122,477	34,153	42,686	2,999	3,614	317
1927	125,967	34,902	41,841	3,052	3,622	317
1928	141,230	41,611	40,593	3,141	4,231	319
1929	137,855	35,026	39,071	2,897	3,492	289
1930	115,230	29,605	34,699	2,423	2,900	237
1931	85,993	25,707	26,397	1,748	2,477	168
1932	67,722	25,137	21,100	1,456	2,202	137
1933	63,635	21,093	19,172	1,393	1,975	130
1934	75,746	23,320	20,531	1,531	2,154	141
1935	77,081	24,235	20,032	1,585	2,216	145
1936	84,665	26,414	20,498	1,726	2,395	157

(a) Year ending June 30 for this and prior years.
(b) Year ending December 31 for this and later years.

SCHEDULE 14 - REVENUE FREIGHT CARRIED BY CANADIAN RAILWAYS, YEAR 1928

TONS OF 2,000 LBS.

Source: Summary of Monthly Traffic Reports

	Loaded at Stations in Region	Received from Foreign Connections Destined to Canadian Points	Received from Foreign Connections Destined to Foreign Points	Total Tonnage Originated	Unloaded at Stations In Region	Delivered to Foreign Connections	Net Export from Area	Net Import to Area
Maritime Provinces								
Agricultural Products	520,041	46,530	173,828	740,399	477,557	1,528,113	42,484	-
Animal "	37,385	9,762	367	47,514	49,192	48,832	-	11,807
Mine "	6,152,639	54,671	5,447	6,212,757	5,657,635	49,385	495,004	-
Forest "	1,765,362	4,607	46,924	1,816,893	962,542	618,774	802,820	-
Manufactures and Miscellaneous	1,246,050	233,653	159,064	1,638,767	1,295,856	269,967	-	49,806
GRAND TOTAL	9,721,477	349,223	385,630	10,456,330	8,442,782	2,515,071	1,278,695	-
Quebec								
Agricultural Products	1,085,487	200,497	121,921	1,407,905	2,553,577	2,779,745	-	1,468,090
Animal "	187,183	23,103	27,236	237,522	288,321	317,707	-	101,138
Mine "	2,118,754	1,353,394	731,204	4,203,352	4,424,346	827,610	-	2,305,592
Forest "	4,027,785	60,020	283,475	4,371,280	2,817,341	1,732,172	1,210,444	-
Manufactures and Miscellaneous	5,376,435	565,782	1,105,623	7,047,840	4,204,312	2,305,758	1,172,123	-
GRAND TOTAL	12,795,644	2,202,796	2,269,459	17,267,899	14,287,897	7,962,992	-	1,492,253
Ontario								
Agricultural Products	5,365,524	768,161	3,390,610	9,524,295	9,378,959	8,761,802	-	4,013,435
Animal "	653,804	156,370	1,249,584	2,059,758	559,873	1,166,074	93,931	-
Mine "	6,533,459	10,038,757	1,733,963	18,306,179	15,184,707	2,064,901	-	8,651,248
Forest "	4,169,336	504,444	670,544	5,344,324	3,666,129	2,448,142	503,207	-
Manufactures and Miscellaneous	7,313,441	2,962,991	6,831,350	17,107,782	7,492,747	9,917,230	-	179,306
GRAND TOTAL	24,035,564	14,430,723	13,876,051	52,342,338	36,282,415	24,358,149	-	12,246,851
Western Provinces								
Agricultural Products	20,351,613	142,849	12,322	20,506,784	3,830,291	3,550,702	16,521,322	-
Animal "	723,106	6,730	4,547	734,383	557,166	57,416	165,940	-
Mine "	8,324,693	736,390	3,628	9,064,711	8,530,009	838,218	-	205,316
Forest "	4,627,771	42,101	196,549	4,866,421	3,856,419	619,849	771,352	-
Manufactures and Miscellaneous	3,456,143	454,476	78,273	3,988,892	4,905,821	265,673	-	1,449,678
GRAND TOTAL	37,483,326	1,382,546	295,319	39,161,191	21,679,706	5,331,858	15,803,620	-
All Canada								
Agricultural Products	27,322,665	1,158,037	3,698,681	32,179,383	16,240,384	16,620,362	Not reported.	
Animal "	1,601,478	195,965	1,281,734	3,079,177	1,454,552	1,590,029		
Mine "	23,129,545	12,183,212	2,474,242	37,786,999	33,796,697	3,780,114		
Forest "	14,590,254	611,172	1,197,492	16,398,918	11,302,431	5,418,937		
Manufactures and Miscellaneous	17,392,069	4,216,902	8,174,310	29,783,281	17,898,736	12,758,628		
GRAND TOTAL	84,036,011	18,365,288	16,826,459	119,227,758	80,692,800	40,168,070		

SCHEDULE 14 - REVENUE FREIGHT CARRIED BY CANADIAN RAILWAYS, YEAR 1933

TONS OF 2,000 LBS.

Source: Summary of Monthly Traffic Reports

	Loaded at Stations in Region	Received from Foreign Connections Destined to Canadian Points	Received from Foreign Connections Destined to Foreign Points	Total Tonnage Originated	Unloaded at Stations in Region	Delivered to Foreign Connections	Net Movement To other Regions	Net Movement From other Regions	Net Export from Area	Net Import to Area
Maritime Provinces										
Agricultural Products	462,655	62,378	94,666	619,698	293,287	656,058	-	329,647	169,368	-
Animal "	18,979	5,861	38	24,878	43,214	64,400	-	82,736	-	24,235
Mine "	3,970,030	59,811	3,335	4,033,176	3,622,580	88,508	322,088	-	347,450	-
Forest "	707,092	14,681	4,192	725,965	469,236	297,058	-	40,329	237,856	-
Manufactures and Miscellaneous	934,541	99,286	115,249	1,149,076	921,681	156,727	70,668	-	12,860	-
GRAND TOTAL	6,093,297	242,017	217,479	6,552,793	5,349,998	1,262,751	-	59,956	743,299	-
Quebec										
Agricultural Products	453,500	68,126	112,197	633,823	920,824	1,064,429			-	467,324
Animal "	79,291	16,349	22,038	117,678	240,945	263,089			-	161,654
Mine "	1,391,798	1,078,938	194,843	2,665,579	1,566,285	401,226	Not reported.		-	174,487
Forest "	1,397,065	27,030	36,588	1,460,683	778,059	469,799			619,006	-
Manufactures and Miscellaneous	2,586,576	243,760	638,465	3,468,801	1,894,354	1,112,292			692,222	-
GRAND TOTAL	5,908,230	1,434,203	1,004,131	8,346,564	5,400,467	3,310,835			507,763	-
Ontario										
Agricultural Products	1,967,105	342,406	1,921,773	4,231,284	5,969,707	2,704,840			-	4,002,602
Animal "	383,636	109,396	1,123,697	1,616,729	337,697	992,966			45,979	-
Mine "	2,462,308	4,008,762	653,669	7,124,739	6,375,753	799,547	Not reported.		-	3,913,445
Forest "	1,369,893	99,830	238,770	1,708,493	1,306,512	673,390			63,381	-
Manufactures and Miscellaneous	3,845,147	658,838	3,277,414	7,781,399	2,997,467	5,066,071			847,680	-
GRAND TOTAL	10,028,089	5,219,232	7,215,323	22,462,644	16,987,136	10,236,814			-	6,959,047
Western Provinces										
Agricultural Products	10,602,349	63,960	4,786	10,671,095	2,173,723	2,433,391	6,063,981	-	8,428,626	-
Animal "	547,922	2,897	3,199	554,018	351,805	6,631	195,582	-	196,117	-
Mine "	4,212,926	404,627	935	4,618,488	4,232,711	287,212	98,565	-	-	19,785
Forest "	2,062,449	5,143	72,420	2,140,012	1,635,549	322,848	181,615	-	426,900	-
Manufactures and Miscellaneous	1,659,007	81,662	12,828	1,753,497	2,007,946	245,289	-	499,738	-	348,939
GRAND TOTAL	19,084,653	558,289	94,168	19,737,110	10,401,734	3,295,371	6,040,005	-	8,682,919	-
All Canada										
Agricultural Products	13,485,609	536,870	2,133,421	16,155,900	9,357,541	6,858,718				
Animal "	1,029,828	134,503	1,148,972	2,313,303	973,661	1,327,086				
Mine "	12,037,062	5,552,138	852,782	18,441,982	15,797,329	1,576,493	Not reported.		Not reported.	
Forest "	5,536,499	146,684	351,970	6,035,153	4,189,356	1,763,095				
Manufactures and Miscellaneous	9,023,271	1,083,546	4,043,956	14,152,773	7,821,448	6,580,379				
GRAND TOTAL	41,114,269	7,453,741	8,531,101	57,099,111	38,139,335	18,105,771				

SCHEDULE 14 - REVENUE FREIGHT CARRIED BY CANADIAN RAILWAYS, YEAR 1936

TONS OF 2,000 LBS.

Source: Summary of Monthly Traffic Reports

	Loaded at Stations in Region	Received from Foreign Connections Destined to Canadian Points	Received from Foreign Connections Destined to Foreign Points	Total Tonnage Originated	Unloaded at Stations in Region	Delivered to Foreign Connections	Net Movement To other Regions	Net Movement From other Regions	Net Export from Area	Net Import to Area
Maritime Provinces										
Agricultural Products	424,278	94,542	95,771	614,591	351,246	833,263	-	569,918	73,032	-
Animal "	24,403	9,442	128	33,973	53,280	62,285	-	81,592	-	28,877
Mine "	5,982,776	51,546	4,121	6,038,443	5,557,228	170,279	310,936	-	425,548	-
Forest "	949,516	22,789	6,856	979,161	448,048	448,830	82,283	-	501,468	-
Manufactures and Miscellaneous	1,298,464	122,653	153,847	1,574,964	1,227,893	307,403	39,668	-	70,571	-
GRAND TOTAL	8,679,437	300,972	260,723	9,241,132	7,637,695	1,822,060	-	218,623	1,041,742	-
Quebec										
Agricultural Products	559,043	165,964	170,888	895,895	1,141,614	1,331,767			-	582,571
Animal "	92,219	17,705	19,822	129,746	232,811	265,923	Not reported.		-	140,592
Mine "	2,419,434	1,293,510	188,902	3,901,846	1,929,062	714,053			490,372	-
Forest "	1,765,924	51,190	83,856	1,900,970	957,283	745,449			808,641	-
Manufactures and Miscellaneous	3,693,634	328,384	837,058	4,859,076	2,376,405	1,774,317			1,317,229	-
GRAND TOTAL	8,530,254	1,856,753	1,300,526	11,687,533	6,637,175	4,831,509			1,893,079	-
Ontario										
Agricultural Products	2,974,982	403,434	1,850,260	5,228,676	4,564,991	4,445,145			-	1,590,009
Animal "	389,537	27,946	958,844	1,376,327	364,333	877,745			25,204	-
Mine "	5,653,068	4,480,550	999,647	11,133,265	10,277,161	1,300,098	Not reported.		-	4,624,093
Forest "	1,734,878	166,880	376,620	2,278,378	1,876,123	1,023,257			-	141,245
Manufactures and Miscellaneous	5,692,445	1,042,109	5,718,568	12,453,122	4,497,582	8,346,386			1,194,863	-
GRAND TOTAL	16,444,910	6,120,919	9,903,939	32,469,768	21,580,190	15,992,631			-	5,135,280
Western Provinces										
Agricultural Products	10,085,503	142,179	30,977	10,258,659	2,364,031	2,053,556	5,841,072	-	7,721,472	-
Animal "	873,893	4,835	6,452	885,180	498,362	77,598	309,220	-	375,531	-
Mine "	5,223,497	566,590	21,201	5,811,288	5,283,767	438,545	88,976	-	-	60,270
Forest "	2,784,335	31,711	99,844	2,915,890	1,944,061	625,073	346,756	-	840,274	-
Manufactures and Miscellaneous	2,011,171	177,607	51,718	2,240,496	2,539,175	365,584	-	664,263	-	528,004
GRAND TOTAL	20,978,399	922,922	210,192	22,111,513	12,629,396	3,560,356	5,921,761	-	8,349,003	-
All Canada										
Agricultural Products	14,043,806	806,119	2,147,896	16,997,821	8,421,882	8,663,731				
Animal "	1,380,052	59,928	985,246	2,425,226	1,148,786	1,283,551				
Mine "	19,278,775	6,392,196	1,213,871	26,884,842	23,047,218	2,622,975	Not reported.		Not reported.	
Forest "	7,234,653	272,570	567,176	8,074,399	5,225,515	2,842,609				
Manufactures and Miscellaneous	12,695,714	1,670,753	6,761,191	21,127,658	10,641,055	10,793,690				
GRAND TOTAL	54,633,000	9,201,566	11,675,380	75,509,946	48,484,456	26,206,556				

SCHEDULE 15 - NUMBERS OF MOTOR VEHICLES REGISTERED IN CANADA, BY PROVINCES, 1904-36

Source: Canada Year Book, 1937

Year	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Canada
1904	-	-	-	-	535	-	-	-	-	535
1905	-	-	12	-	553	-	-	-	-	565
1906	-	-	41	167	1,176	-	22	41	-	1,447
1907	-	-	79	254	1,530	-	55	55	175	2,148
1908	-	-	104	396	1,754	418	74	45	263	3,054
1909	-	69	167	485	2,452	708	149	275	504	4,809
1910	-	148	299	786	4,230	1,715	531	423	1,026	9,158
1911	-	228	483	1,878	11,339	2,700	1,304	1,631	2,220	21,783
1912	-	456	700	3,535	18,022	4,636	2,286	2,505	4,289	36,429
1913	26	511	824	5,452	26,600	6,397	4,659	3,773	6,138	54,380
1914	31	1,710	1,260	7,413	35,357	8,056	8,020	4,728	7,628	74,246
1915	34	2,300	1,900	10,112	46,520	9,937	10,225	5,832	8,360	95,284
1916	50	3,050	2,986	15,348	58,662	13,111	15,900	9,707	9,457	128,328
1917	303	5,100	4,889	21,213	88,970	18,169	32,505	20,624	11,645	203,502
1918	620	8,150	6,511	26,931	114,376	25,062	50,531	29,250	15,370	276,893
1919	1,250	10,030	8,252	33,525	144,804	31,208	56,855	34,000	22,420	342,433
1920	1,418	12,450	11,121	41,562	177,561	38,257	60,325	38,015	28,000	408,790
1921	1,750	14,050	13,460	54,670	206,521	40,336	61,184	39,852	32,900	464,805
1922	2,154	16,029	13,611	60,940	239,296	41,870	60,645	40,366	34,385	509,382
1923	2,440	18,232	16,662	[illegible],320	278,752	42,083	63,224	42,323	40,854	575,985
1924	2,571	20,606	19,840	84,949	306,770	43,875	69,895	48,238	48,407	645,263
1925	2,947	22,745	18,863	97,418	342,174	50,884	77,940	54,538	56,427	724,048
1926	3,448	25,746	21,421	107,994	386,349	58,292	95,967	65,101	67,810	832,268
1927	4,371	29,914	24,457	128,104	433,504	63,412	105,088	73,306	77,327	939,651
1928	5,404	35,194	27,970	148,090	487,337	70,578	119,972	88,398	86,203	1,069,343
1929	6,116	39,972	31,736	169,105	540,207	77,259	128,426	98,720	95,571	1,187,331

SCHEDULE 15 - NUMBERS OF MOTOR VEHICLES REGISTERED IN CANADA, BY PROVINCES, 1904-36 (Concluded)

Source: Canada Year Book, 1937

Year	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Canada
1930	7,376	43,029	34,699	178,548	562,506	78,850	127,193	101,119	98,938	1,232,489
1931	7,744	43,758	33,627	177,485	562,216	75,210	107,830	94,642	97,932	1,200,668
1932	6,982	41,013	28,041	165,730	531,597	70,840	91,275	86,781	91,042	1,113,533
1933	6,940	40,648	26,867	160,012	520,353	68,500	84,944	86,041	88,554	1,083,178
1934	7,206	41,932	29,094	165,526	542,245	70,430	91,461	89,369	92,021	1,129,532
1935	8,231	43,952	31,217	170,644	564,076	70,660	94,792	93,870	98,411	1,176,116
1936	7,632	46,179	33,402	181,628	590,226	74,940	102,270	97,468	106,079	1,240,124

NOTE:- Above registrations given here include passenger cars, trucks, buses, motor cycles, service cars, etc., but not trailers' or dealers' licences. Total figures for Canada include registrations in Yukon.

SCHEDULE 16 - STATISTICS OF CIVIL AVIATION IN CANADA

Source: Canada Year Books and D.B.S. Report "Civil Aviation in Canada 1938"

Year	Total Licensed Aircraft	Total Aircraft Mileage	No. Passengers Carried (a)	Total Passenger Miles (a)	Total Freight or Express Carried	Total Mail Carried
	(No.)	(000 mi.)		(000 mi.)	(000 lbs.)	(000 lbs.)
1921	73	294	9,153	(b)	80	-
1922	60	185	4,282	(b)	15	62
1923	69	188	2,238	(b)	18	-
1924	32	295	5,314	560	77	1
1925	39	256	4,897	447	592	1
1926	44	393	6,436	632	725	4
1927	67	829	18,932	1,424	1,098	15
1928	264	2,728	74,669	2,884	2,405	317
1929	445	6,284	124,751	6,115	3,904	431
1930	527	7,547	124,875	5,409	1,759	474
1931	495	7,046	100,128	4,074	2,372	470
1932	445	4,569	76,800	2,870	3,130	414
1933	345	4,538	85,006	3,817	4,206	539
1934	368	6,498	105,306	6,266	14,441	625
1935	380	7,522	177,472	7,937	17,616	1,126
1936	475	7,804	127,937	12,056	25,388	1,101
1937	604	10,756	168,652	17,696	26,279	1,450

(a) Includes crew other than Pilots.

(b) Not available.

SCHEDULE 17 - HIGHWAY MILEAGE IN CANADA 1937

Source: The Highway and Motor Vehicle in Canada 1937, Dominion Bureau of Statistics.

Province	Hard Sur-faced	Gravel and Crushed Stone	Total Surfaced Road	Improved Earth	Unimproved Earth	GRAND TOTAL
Prince Edward Island	72	205	277	2,215	1,158	3,650
Nova Scotia	678	4,238	4,916	3,929	6,116	14,961
New Brunswick	538	6,580	7,118	2,320	2,176	11,614
Quebec	3,298	14,582	17,880	17,121	-	35,001
Ontario	5,990	50,104	56,094	20,024	417	76,535
Manitoba	332	11,334	11,666	4,724	74,713	91,103
Saskatchewan	144	2,868	3,012	148,482	61,410	212,904
Alberta	365	2,967	3,332	86,800	-	90,132
British Columbia	(a) 9,562	(a) 175	9,737	10,665	2,738	23,140
CANADA	20,979	93,053	114,032	296,280	148,728	559,040

(a) Division between classifications unreliable.

SCHEDULE 18 - ROAD BUILDING AUTHORITIES - THEIR DUTIES AND JURISDICTION

1926

Province	Authorities that build the Roads	Field of Activity of each Road-Building Authority	Is Joint Action in construction or Financing undertaken? If so, How?	How are Funds obtained for Construction?
Nova Scotia	Department of Highways.	The Department of Highways build and control all public roads except in towns and cities.	No joint action.	Capital money is borrowed by Provincial Government. Maintenance money obtained by: 1 - Direct assessment on Munitipalities and Towns. 2 - Motor Vehicle licence fees. 3 - Gasoline tax - 3¢.
Quebec	Roads Department of Provincial Government. Colonization Department of Provincial Government. Local Municipalities.	Generally main highways (first-class roads) are constructed directly by the Provincial Road Department. Second and third class roads by local municipalities and colonization roads by the Colonization Department.	Generally there is no joint action or overlapping between Roads Department and Colonization Department. Joint action between Roads Department and Municipalities carried out as follows: When works are carried out by the Roads Department directly, Municipalities are called upon to contribute a specified amount prior to commencement of work. When construction is carried out by the Municipalities, the works are supervised by the Department Engineers, and the latters' acceptance of the works is a condition to payment of subsidy.	Colonization road funds are paid for out of Colonization Budget or Provincial Government. The Provincial Roads Department obtains the money required for roads constructed from the consolidated income of the Province and the revenue received from licences and gasoline tax goes to swell the income. The Government has, to date, borrowed on debentures $41,500,000 for expenditures under Roads Department. The Government makes contributions to Municipalities. Nothing has been said about source of money spent by the Municipality; it is assumed this is raised by taxation and bonds by the Municipality.
Ontario	Department of Highways; Northern Development & Colonization Department; County Authorities; Township Authorities.	Department of Highways builds provincial highways and grants monies to county and township roads if these roads are constructed in accordance with Department regulations. County Authorities build county roads. Township Authorities build township roads. Northern Development & Colonization Dept. builds Colonization and Development roads.	When township and county roads are built in accordance with and approval of Highways Department, monies are granted by this body - all monies being spent by the County and Township bodies.	Monies used by the Department of Highways are voted by the Government. They are made up of Motor vehicle licences and gasoline taxes and borrowed on Capital Account. Counties and Municipalities may get their money by direct taxes or by issuing debentures. Development roads are paid for by the Province. Colonization roads are paid for 50 per cent by the Province and 50 per cent by the local municipality.
Manitoba.	Good Roads Board; Municipalities; Reclamation Department; Rural Municipalities.	Good Roads Board has complete control of work and expenditures in connection with Trunk Highways. Municipalities construct main highways of Province and market roads under the supervision of the Good Roads Board. Reclamation Branch construct earth roads, chiefly in unorganized territory and complementary to drainage work. Rural municipalities build roads for local use.	In case of Trunk highways, expenditures are assumed entirely by Government and where Municipalities, through which highway passes, have not already [illegible] the necessary improvements to bring these roads up to the standard of main provincial highways, one-third cost is levied against Municipality over a number of years. In case of main provincial highways and market roads, Municipalities bear whole cost and are later reimbursed to varying extents by the Government.	The Province makes all expenditures from Capital Funds, the proceeds being raised from bond issues. The Municipalities finance their projects either by issue of debentures or by taxation against the taxable property in the whole municipality.

SCHEDULE 18 - ROAD BUILDING AUTHORITIES - THEIR DUTIES AND JURISDICTION (Concluded)

1926

Province	Authorities that build the Roads	Field of Activity of each Road-Building Authority	Is Joint Action in construction or financing undertaken? If so, How?	How are Funds obtained for Construction?
Saskatchewan	Department of Highways of Provincial Government. Councils of Rural Municipalities.	Department of Highways constructs and maintains provincial highways. This Department also does work on market roads in conjunction with Municipal authorities either by money grants or actual performance of work. Practically all of the large bridges are constructed by the Highway Department with its own crew. The Highway Department is the only road-building body in territory not organized into municipalities. Councils of Rural Municipalities handle all roads in their district except provincial highways either with or without help from the Department of Highways.	Joint work is done only on main market roads. When the Government aids municipalities on these roads the work may be done by Highways Department with its own men or by entering into contracts with the municipalities to perform the work, the Highway Department paying for the improvements, or their share as agreed upon. Sometimes the municipality bears a portion of the expense. In other words, joint work on these roads is performed by only one body. Payment for this work may be contributed by each party.	The Highway Department obtains its money as follows: For provincial highways, by a vote from the Provincial Legislature. Roads in unorganized communities are financed in part by money voted by Legislature and in part by taxes levied on the lands in community and collected by the Department of Municipal Affairs and turned over to the Department of Highways to administer. In organized rural municipalities, the money is provided by current tax levy or by debentures issued by the municipality.
Alberta	Provincial Government. Municipal Districts.	Provincial Government maintains and constructs main highway system, consisting of international, interprovincial and main provincial highways connecting the larger urban centres, commonly known as Tourist or Automobile roads. Municipal authorities look after all roads other than main highways.	The main market roads are the only roads on which there is dual responsibility for financing. These roads are paid for generally on a 50/50 basis - municipality 50% and provincial government 50%. Actual work is performed by the municipality.	Provincial Government monies come from General Revenue of the province and monies raised by bond issues. Municipal monies come from taxes collected by the district and from bonds floated by the municipality for the purpose.
British Columbia	Department of Public Works of British Columbia. District Municipalities.	Department of Public Works constructs and maintains: 1 - All roads outside incorporated municipalities. 2 - Certain main highways within these municipalities. Municipalities control highways, usually secondary, within their own limits.	In the case of primary highways within incorporated limits, Department of Public Works contributes 75% toward cost of construction and maintenance and exercises control. In the case of secondary highways within incorporated limits, Department pays 50% of cost of construction and 40% of maintenance and the municipality exercises control. In each case the municipality pays the remainder. The Department meets all expense connected with roads outside incorporated limits.	Funds at command of Department of Public Works obtained from two sources: 1 - Portion of revenue of province. 2 - Capital (Highway loans). The funds of municipalities come from Revenue and Capital (By-law Loans).

SCHEDULE 19 - DOMINION, PROVINCIAL AND MUNICIPAL INVESTMENTS IN PUBLICLY OWNED TRANSPORTATION FACILITIES, 1936

(Thousands of Dollars)

	Canals	Harbours	Docks and Wharves	Dredging	Railways	Highways	Airways	TOTAL	% of Total
Investment of the Dominion Government in Assets owned by the Dominion	$242,726	(1) $255,361	$14,044	$73,091	(2) $2,009,744	(3) $ 8,425	(4) $6,000	$2,609,391	72.1
Investment of Provinces in owned enterprises	-	-	-	-	(5) 86,054	(6) 494,097	-	580,151	16.0
Investment of Municipalities in owned enterprises	-	-	-	-	(7) 75,405	(8) 352,886	(9) 1,260	429,551	11.9
Total Investment in Owned Assets	$242,726	$255,361	$14,044	$73,091	$2,171,203	$855,408	$7,260	$3,619,093	100.0
% of Total	6.7	7.1	0.4	2.0	60.0	23.6	.2	100.0	

(1) After writeoffs of $1,375,000.
(2) After writeoffs of $789,206,000.
(3) Includes Dominion owned highways in National Parks only and does not cover Dominion subsidies to Provinces or relief works.
(4) Estimated on basis of data supplied by the Department of Transport.
(5) After writeoffs of $32,005,000. This includes the investment in the Province of Ontario in the Hamilton Street Railway.
(6) After writeoffs of $29,435,000.
(7) Municipally owned electric street railways.
(8) Estimated gross municipal debt for roads and bridges.
(9) Taken from "Civil Aviation in Canada, 1936", Dominion Bureau of Statistics.

SCHEDULE 20 - ESTIMATED REVENUES FROM OWNED TRANSPORTATION FACILITIES IN CANADA ON CURRENT ACCOUNT, 1939-1948

	Actual 1928 - 1937	Estimated 1939 - 1948
Licences, Permits and Fees		
Steamboat Inspection	$ 1,190,000	$ 1,190,000
Sale of Commodities and Services		
Telephone, Telegraph, Ferries and Docks	3,100,000	3,100,000
Harbour Dues	840,000	840,000
Canal Revenues	5,770,000	5,770,000
	$10,900,000	$10,900,000
Interest		
(A) On Loans and Advances on which contractual interest has always been paid -		
New Westminster Harbour Commission	$ 70,000	$ 140,000
Montreal Turnpike Trust	90,000	90,000
St. John Bridge and Railway Extension	170,000	170,000
	$ 330,000	$ 400,000
(B) On Capital Advances to Government Utilities, C.N.R. -		
Interest on temporary loans for refunding	$ 5,140,000	$ 5,140,000
Manitoba Northern Railway - Temporary Loan (1)	140,000	-
	$ 5,280,000	$ 5,140,000
(C) On Advances and Investments on which partial or no interest has been paid -		
Harbour Commissions (except New Westminster) (2)	$30,560,000	$30,560,000
Canadian Government Merchant Marine (3)	60,000	-
	$30,620,000	$30,560,000
Sub-total: Interest	$36,230,000	$36,100,000
TOTAL TRANSPORTATION REVENUES	$47,130,000	$47,000,000

(1) Interest received in only one year so eliminated in forecast.
(2) On basis of reduced income in last three years.
(3) Eliminated in forecast since facilities now sold.

SCHEDULE 21 - ESTIMATED MINIMUM EXPENDITURES FOR OWNED TRANSPORTATION FACILITIES IN CANADA ON CURRENT ACCOUNT, 1939-1948

	Actual 1928 - 1937	Estimated 1939 - 1948
GENERAL GOVERNMENT		
Departmental Office; administration (1)	$ 6,650,000	$ 6,000,000
TRANSPORTATION		
A. Marine		
Dominion Steamers and Icebreakers	$ 16,950,000	$ 16,950,000
Hydrographic, Tidal and Current Surveys	6,520,000	6,520,000
Radio Aid to Navigation Service	6,190,000	6,190,000
Radio Service - Reception conditions	2,350,000	2,350,000
Subsidies for Wrecking Plants	480,000	480,000
Navigation and Shipping: Miscellaneous Service	240,000	240,000
Life Saving Service	520,000	520,000
Lighthouse and Coastal Service	280,000	280,000
Administration of Pilotage	1,110,000	1,110,000
Agencies, rents and contingencies	2,100,000	2,100,000
Aids to Navigation	20,460,000	20,460,000
Breaking ice in Thunder Bay, etc.	370,000	370,000
Marine Signal Service	1,010,000	1,010,000
Other Lighthouse and Coast Service	220,000	720,000
Meteorological Service (2)	3,300,000	4,000,000
Steamboat Inspections	1,310,000	1,310,000
Sub-total - Marine	$ 63,410,000	$ 64,110,000
B. Public Works		
Harbours and Rivers	$ 35,740,000	$ 35,740,000
Dredging	10,340,000	10,340,000
Roads and Bridges	780,000	780,000
Telegraph and Telephone Lines	1,030,000	1,030,000
Architectural Branch	830,000	830,000
Engineering Branch	4,320,000	4,320,000
Surveys and Inspections	980,000	980,000
Ottawa River and Tributaries - storage, dams, etc.	310,000	310,000
Miscellaneous	470,000	470,000
Subsidies to Dry Docks	5,730,000	5,730,000
Sub-total	$ 60,530,000	$ 60,530,000

SCHEDULE 21 - (Continued)

	Actual 1928 - 1937	Estimated 1939 - 1948
TRANSPORTATION (Continued)		
B. Public Works — Brought forward	$ 60,530,000	$ 60,530,000
Expenditures re revenue producing works -		
(a) Graving Docks	1,700,000	1,700,000
(b) Telegraph and Telephone Lines	5,730,000	5,730,000
Sub-total - Public Works	$ 67,960,000	$ 67,960,000
C. Railways and Canals		
Canals; Improvements, surveys, inspection and claims	$ 3,000,000	$ 3,000,000
Railways; Board of Railway Commissioners, miscellaneous services and pensions (3)	3,840,000	4,500,000
Maritime Freight Rates Act, 1927 (4)	24,670,000	30,000,000
Government Employees' Compensation Act	2,590,000	2,590,000
Chargeable to collections of revenue; Canals, Elevators and Harbours	25,070,000	25,070,000
Hudson Bay Railway (5)	490,000	2,500,000
St. Lawrence Ship Canal; surveys and investigations	330,000	330,000
To assist in promoting Tourist Business (6)	540,000	2,500,000
Railway Grade Crossing Fund (7)	3,880,000	5,000,000
Sub-total - Railways and Canals	$ 64,410,000	$ 75,490,000
D. Civil Aviation		
Administration	Not available	$ 3,000,000
Airways and Airports - maintenance	" "	3,500,000
Grants to Clubs and Schools	" "	600,000
Wireless Operation	" "	1,700,000
Sub-total - Civil Aviation		$ 8,800,000
DEFICITS		
Canadian National Railways	$368,780,000	$300,000,000
Canadian National (W.I.) S.S. Limited	2,570,000	2,570,000
Harbour Commissions	1,380,000	50,000,000
Total Deficits	$372,730,000	$362,570,000

SCHEDULE 21 - (Concluded)

	Actual 1928 - 1937	Estimated 1939 - 1948
Brought forward	$575,160,000	$574,930,000
OTHER CURRENT EXPENDITURES		
Mail Subsidies and Steamship Subventions	18,400,000	25,000,000
GRAND TOTAL - ALL ITEMS	$593,560,000	$599,930,000
Less Estimated Transportation Revenues, Current Account (for details see Schedule 20)	$ 47,130,000	$ 47,000,000
	$546,430,000	$552,930,000

NOTE: Certain non-recurring items amounting to $7,850,000 have been purposely left out of the above. The total as shown in Dominion's accounts for past ten years is $601,410,000.

FOOTNOTES:
(1) Reduced in forecast because of consolidation of Departments of Marine and Railways and Canals.
(2) Increased in forecast because of estimated influence of air transportation.
(3) Increased in forecast because of increased jurisdiction of Board of Transport Commissioners.
(4) Increased in forecast by 20 per cent on actual 1937 expenditure.
(5) Forecast based on experience of 1936-7 only.
(6) Forecast based on experience of 1937 only.
(7) Increased in forecast because of presently existing congestion at large centres which will necessitate further expensive grade crossing eliminations.

SCHEDULE 22 - HORIZONTAL RATE INCREASES AND DECREASES, 1917-21.

FIFTEEN PER CENT INCREASE.

(7 BRC 455, DECEMBER 26, 1917, G.O. NO.213).

This case originated in an application by the Camadian railways for a recommendation to the Governor in Council under the War Measures Act for a general increase in freight and passenger rates. This was declared necessary on the grounds that revenues were inadequate to maintain their service or to meet the enormous decrease in net operating income caused by substantially increased cost of wages, supplies, etc., entering into the operation and maintenance of their railways. An urgent appeal was made by the carriers to be permitted to make a flat percentage increase without following the usual procedure of filing and justifying tariffs.

The Board held that the "War Measures Act" did not confer any jurisdiction upon it. Consequently it considered the application as coming within its jurisdiction under the provisions of the "Railway Act" and made an exhaustive review of the trends of expense and revenues.

Reference was made in the judgment to the statutory provisions of the "Crow's Nest Agreement" wherein maximum tolls were stipulated. The Board held that it could not advance the rates of the Canadian Pacific that were subject to this agreement beyond the maximum stipulated, and that no useful purpose would be served by advancing rates on other lines competitive with the Canadian Pacific. The order resulting from this judgment, therefore, was subject to the Crow's Nest Agreement where such was operative. As to maximum rates resulting from the Manitoba Agreement of the Canadian Northern, the Board held it was not bound by any act of a provincial legislature.

The increases allowed by the Board were as follows:

East to West class rates:

to be increased by 15 per cent within Western Canada and the proportionals east of Fort William to be increased by 10 per cent, the combined increased totals to be the sum of the through rate.

Coal and Coke rates, East and West:

to be increased 15 cents per ton.

Common Clay, Sand, Gravel and Crushed Stone; East and West:

increased by 5 cents per ton.

Grain in West to Lake Superior Ports:

2 cents per hundred pounds. No higher increase was possible because of limitations imposed by the Crow's Nest Agreement.

Grain and Grain Products in the West, to other than Lake Superior Ports and intermediate thereto: Also from Head of Lakes eastward and in Eastern Canada:

increased by 15 per cent subject to maximum increase of 2 cents per hundred pounds.

Lumber rates in West:

increased by flat amounts per hundred pounds varying from 3 to 5 cents per hundred pounds, in some instances such amounts are stated to be maximum increases after applying a 15 per cent increase. To eastern destinations the differences over Port Arthur to be increased 10 per cent. Between Eastern points a flat 15 per cent increase was made.

British Columbia Rates in "Pacific" Territory.

to be advanced 10 per cent, except that rates between ports of call on the B.C. Lakes permitted to be increased 15 per cent because they were on the Prairie basis.

no increases granted in services for switching; weighing, demurrage, refrigeration, heated car service, diversion, reconsignment, storage, wharfage, sleeping or parlour car accommodation or other special services.

Transcontinental Class Rates:

advanced 10 per cent.

Transcontinental Commodity Rates:

because of their competitive nature with American rates not advanced except in conformity with advances made by American railways.

Passenger Rates:

not increased in British Columbia where present maximum was 4 cents; but 15 per cent increase allowed in other territories subject to maximum toll of 3.45 cents per mile.

In commenting upon the increased rates allowed, the Board stated:-

"While it is true that in so far as western territory is concerned, on the great bulk of traffic, rates would only increase approximately 10 per cent and eastern rates are, speaking generally, raised 15 per cent, it must be borne in mind that, while the rates in the two different sections of the country are much nearer equality since the deductions worked under the Western Rates Case and the increases given under the Eastern Rates Case took effect, again speaking generally, rates in the West are still higher."

The effective date of the Order was March 15, 1918.

TWENTY-FIVE PER CENT INCREASE

(8 BRC 277, P.C. 1863, JULY 27TH, 1918)

Under Order in Council P.C. 1768, the Board prepared a schedule of increases in freight rates whereby the advanced scales of wages under the "McAdoo" award adopted by Canadian carriers would be met. The report of the Board was enacted as P.C.1863 under the authority of the War Measures Act, 1914, and the following increases were made thereunder:

TERRITORY EAST OF FORT WILLIAM

Class Rates -

all class rates in eastern territory increased twenty-five per cent;

Commodity Rates:-

Coal:

graduated increase of 15 to 50 cents per net ton;

Coke:

graduated increase of 15 to 75 cents per net ton;

Iron Ores:

30 cents, net ton, over rates effective prior to 15 per cent increase. (no increase in ex-lake ore that has paid increased rail rate prior to reaching vessel).

Stone, Building, etc.:

2 cents per 100 lbs;

Stone, Crushed, etc.:

1 cent per 100 lbs;

Sand and Gravel:

1 cent per 100 lbs;

Brick (except enamelled or glazed)

2 cents per 100 lbs.

Cement:

2 cents per 100 lbs;

Lime and Plasters:

1½ cents per 100 lbs.

Lumber and other Forest Products: (not specified herein)

1 cent 100 lbs added to rates effective before March 15, 1918, and the total so obtained to be advanced 25 per cent but not exceedin 5 cents 100 lbs., the increase since granted by Board disallowed;

Pulpwood:

25 per cent maximum 5 cents 100 lbs;

Cordwood: for fuel:

1 cent 100 lbs;

Wheat:

25 per cent over rates effective March 15, 1918, after striking out limitation of 2 cents maximum therein, maximum 6 cents 100 lbs;

Other Grains: Flour, etc:

increased to new wheat rates;

Livestock:

25 per cent maximum 7 cents 100 lbs., where rates on 100 lb. basis, or $15.00 car on car basis;

Fresh Meats and Packing House Products:

25 per cent;

Base Bullion and Smelter Products:

25 per cent;

Sugar: Syrup: Molasses:

Commodity rates cancelled and 5th class rates as increased herein applied;

Ice:

25 per cent over rates in effect prior to March 15, 1918;

All other Commodity Rates:

increased 25 per cent;

TERRITORY WEST OF FORT WILLIAM

Class Rates:

all class rates increased 25 per cent on basis effective prior to March 15, 1918;

Commodity Rates:

Coal & Coke:

same increase as in eastern territory;

Iron Ores:

same increase as in eastern territory;

Other Ores:

values not over	$25.00 ton	- 1 cent 100 lbs.
" " "	50.00 ton	- 2 cents " "
" " "	100.00 ton	- 10th Dist.Scale.
" over	$100.00 ton	- 10th class Std. tariff;

Stone, Building, etc:

2 cents 100 lbs. on rates prior to March 15, 1918;

Stone, Crushed, etc:

1 cent 100 lbs., on rates prior to March 15, 1918;

Sand, Gravel:

1 cent 100 lbs., on rates prior to March 15, 1918;

Brick, (except enamelled or glazed):

2 cents 100 lbs., on rates prior to March 15, 1918;

Cement:

2 cents 100 lbs;

Lime:

1½cents 100 lbs., over rates prior to March 15, 1918;

Lumber:

25 per cent maximum 5 cents 100 lbs;

Grain and Grain Products to Fort William:

same increases as made under McAdoo order for similar mileages in adjacent American territory, to the rates in effect prior to March 15, 1918. Edmonton rates to be the same as from Calgary;

Grain and Grain Products between Local points and to the Coast:

25 per cent maximum 6 cents 100 lbs., to rates in effect prior to March 15, 1918;

Livestock:

25 per cent maximum 7 cents 100 lbs., in rates per 100 lbs., $15.00 per car on car basis. Both applicable on rates effective prior to March 15, 1918;

Packing House Products and Fresh Meats:

25 per cent to rates effective prior to March 15, 1918;

Base Bullion, Smelter Products:

From B.C. smelter to Toronto and Hamilton same as Northport, Washington to Buffalo 71½ cents; Montreal to take New York rates of 81½ cents. Other Canadian points, except eastern territory, to be advanced 25 per cent;

Sugar, Syrup, and Molasses:

same increase as eastern territories;

Commodity Rates not stated herein:

to be increased 25 per cent over rates effective prior to March 15, 1918;

It is important to note that the western increases were mostly based on rates in effect before the 15 per cent increase, while the eastern increases were superimposed on the previous increases.

TERRITORIES BOTH EAST AND WEST

Minimum scale of class rates set at

Classes	1	2	3	4	5	6	7	8	9	10
Rates	24	21	18	15	12	11	9	10	10	7½

Minimum Charge per Single Shipment - 50 cents.

Class Rates between East and West:

Eastern portion increased 25 per cent;
Western portion increased 25 per cent over rates prior to March 15, 1918;

Commodity Rates between East and West:

Eastern portion increased to same level as granted eastern commodity rates.
Western portion increased to same level as granted western rates but increases allowed March 15, 1918, disallowed;

The effective date of the Order was August 12, 1918.

FORTY AND THIRTY-FIVE PER CENT INCREASE

(10 BRC 283 September 9th, 1920 G.O. 308)

Based on substantial increased wages under the "Chicago Wage Award", as well as other increased operating costs, the Canadian railways in 1920 applied for an increase of forty per cent in freight rates, twenty per cent in passenger fares, fifty per cent in sleeping and parlour car rates, forty per cent in milk, and twenty per cent in excess baggage rates.

In considering the amount of increase to be applied in Eastern and Western territories respectively the Board took particular notice of several factors, as follows: that the operating ratio in Western Canada was somewhat lower than in the East; that the tonnage per train was greater in the West; that about 55 per cent of the total traffic of the C.P.R. was in Eastern Canada and 45 per cent in Western Canada; that rates were lower in the West on certain important carload movements, but that rates on lumber, grain, and general merchandise were considerably higher in the West than in the East.

The increases granted were as follows:

1. Until December 31, 1920: general increase of 40 per cent in eastern freight rates; 35 per cent in western freight rates; 20 per cent east and west in passenger fares, maximum 4 cents per mile; 50 per cent in sleeping and parlour car rates, and 20 per cent on excess baggage.

2. January 1, 1921 and until another revision of rates, the eastern and western freight rates to be reduced to 35 and 30 per cent respectively; 10 per cent reduction in passenger fares up to July 1, 1921, when former rates prior to this judgment should be restored; no reductions in sleeping, parlour car or excess baggage rates to be made.

3. Percentage in east and west to be applied to each part of east and west of Port Arthur through rates;

4. Transcontinental commodity rates - increases permitted to same extent as in U.S.A., i.e., 33 1/3 per cent.

5. No increases allowed on crushed stone, sand and gravel because of the need for highway improvement.

6. Coal increased 10 to 20 cents per ton. Maximum increase east and west 20 cents per ton.

7. Fuel wood, maximum 10 per cent.

8. Milk rates - no increase.

9. Minimum class rates. No increase.

10. Commutation fares. No increase.

11. Switching and other special services - no increase.

12. Rate relationships to be preserved where practicable.

13. Increased rates held subject to Section 325 of the Railway Act, 1919, therefore, should not extend beyond July 1, 1922. (Crow's Nest Act).

The effective date of the Order was September 13, 1920.

An application of the Governments of Manitoba and Saskatchewan, and others, heard November 22, 1920, sought suspension of the rate increases in General Order No.308, or at least a reduction in Western Canada to 15 per cent. Reviewing at length its previous decision and having the benefit of actual operating and financial results, the Board dismissed the appeal on the grounds that the results showed that their previous judgment did not underestimate the revenue needs of the railways and that the findings could be considered other than just and reasonable.

REDUCTION IN FREIGHT RATES, 1921

(11 BRC 330 November 24th, 1921)

In accordance with the terms of the forty and thirty-five per cent increases, on January 1, 1921, these increases were changed to thirty-five per cent in eastern territory and thirty per cent in western territory with other rates adjusted accordingly.

In addition, pursuant to an investigation instituted on its own motion, the Board ordered the further reductions in rates effective December 1, 1921:

1. On domestic freight rates within Canada, excepting trans-continental commodity rates and rates on coal, crushed stone, sand, and gravel:-

   Within eastern territory - rates based upon 25 per cent increase over the rates in effect prior to September 13, 1920.

   Within western territory - rates based upon 20 per cent increase over the rates in effect prior to September 13, 1920.

2. Through rates between eastern and western territory to be adjusted to the above percentages as to each of the factors thereof.

3. Transcontinental commodity rates to be based upon 23½ per cent increase over the rates in effect prior to September 13, 1920.

4. Sleeping and parlour car fares be reduced to twenty-five per cent over those in effect prior to September 13, 1920.

5. No reductions to be made in switching, special services, or in the minimum class scale.

6. No rates to be increased under the provisions of this order.

The decision based entirely upon an examination of the traffic and financial requirements of the Canadian Pacific Railway. The latter admitted that a reduced scale of wages prevailed and that materials were costing at least 25 per cent less than in the previous year. The operating ratios were shown to have been reduced in comparison to a similar period in 1920 by an average of five per cent. The Board declared that the reductions ordered would not impair the railways' ability

to maintain revenues because the rates were so high they prevented the movement of much traffic which otherwise would be available for transportation.

SCHEDULE 23 - COMPARATIVE STATEMENT OF MAXIMUM STANDARD MILEAGE CLASS RATES FOR REPRESENTATIVE DISTANCES IN VARIOUS TERRITORIES IN CANADA AS IN EFFECT 1876 TO MARCH 15, 1938

While there have been slight adjustments in territorial boundaries from time to time, the boundaries of the territories named in this Schedule, at this date (March 15, 1938), are as follows:-

Maritimes - Diamond, Levis, Megantic, Que., and east thereof.
Quebec-Ontario (Central) - Diamond, Levis, Megantic, Que., and west thereof to and including Cochrane, Capreol, Sudbury, Sarnia and Windsor, Ont.: also west of Sudbury to Sault Ste. Marie, Ont. (C.P.Rly.)
Ontario (Superior) - Cochrane, Capreol, Sudbury, Ont., and west thereof to Armstrong and Westfort, Ont.
Prairies - Armstrong, Port Arthur, Ont., and west thereof to Edson, Canmore, Alta., and Crow's Nest, B.C.
Pacific - Edson, Canmore, Alta., Crow's Nest, B.C., and west thereof.

NOTE:- Prior to September 1, 1914, rates applicable between stations in Pacific Territory, were provided for by actually publishing inflated distances in the distance table, and then using for such inflated mileage, the scale of rates applicable in Prairie territory. Between Vancouver and Yale, actual mileage was used; between Yale and Revelstoke 1½ miles for 1 actual and between Revelstoke and Canmore, 2 miles for 1 actual. It is, therefore, not possible to show the scale of rates actually applied for specific distances. They varied according to the location of the shipping and destination stations.

For a Distance of 50 miles

Territory	Effective Date		1	2	3	4	5	6	7	8	9	10
			Class Rates in Cents per 100 lbs.									
			Early Four Class Scales									
Intercolonial Rly.	June,	1876	22	18	14	11	-	-	-	-	-	-
Grand Trunk Rly.	June,	1874	24	20	16	12	-	-	-	-	-	-
(Que.-Ont.-Central)		to	28	23	19	14	-	-	-	-	-	-
Ontario-(Superior)			Construction not completed.									
Prairies	May 7,	1881	24	19	15	12	-	-	-	-	-	-
do.	July,	1883	35	29	24	18	-	-	-	-	-	-
Pacific			Construction not completed.									
			First Ten Class Scales									
Maritimes	Dec. 3,	1889	18	15	13	9	8	7	6	7½	7½	4½
Que.-Ont.(Central)	Jan. 1,	1884	24	21	18	15	12	11	9	10	9	7
Ontario (Superior)	Nov. 2,	1885	35	29	24	18	17	14½	12	13	12½	9
Prairies	Apr. 15,	1885	35	29	24	18	17	14½	12	13	12½	9
Pacific			Construction not completed.									

For a Distance of 50 miles

Class Rates in Cents per 100 lbs.

Territory	Effective Date	1	2	3	4	5	6	7	8	9	10
	Ontario (Superior) Scale Modified May 1, 1886										
Maritimes	Dec. 5, 1889	18	15	13	9	8	7	6	7½	7½	4½
Que.-Ont. (Central)	Jan. 1, 1884	24	21	18	15	12	11	9	10	9	7
Ontario (Superior)	May 1, 1886	28	23	19	14	12	11	9	8	8	7
Prairies	Apr. 15, 1885	35	29	24	18	17	14½	12	13	12½	9
Pacific	See Note on Page 1 of this Schedule.										
	Maritime Scale Modified March 1, 1898										
Maritimes	Mar. 1, 1898	18	16	14	11	9	8	7	8	7	6
Que.-Ont. (Central)	Jan. 1, 1884	24	21	18	15	12	11	9	10	9	7
Ontario (Superior)	May 1, 1886	28	23	19	14	12	11	9	8	8	7
Prairies	Oct. 1, 1894	35	29	24	18	17	14½	12	13	12½	9
Pacific	See Note on Page 1 of this Schedule.										
	Reductions in Prairie Scales Completed June 1, 1902, as Result Manitoba Agreement										
Maritimes	Mar. 1, 1898	18	16	14	11	9	8	7	8	7	6
Que.-Ont. (Central)	Jan. 1, 1884	24	21	18	15	12	11	9	10	9	7
Ontario (Superior)	May 1, 1886	28	23	19	14	12	11	9	8	8	7
Prairies (Ontario and Manitoba)	June 1, 1902	30	25	20	15	14	12	10	11	11	8
do. (Saskatchewan-Alberta)	May 7, 1902	32	27	22	17	16	13	11	12	11	8
Pacific	See Note on Page 1 of this Schedule.										
	Increases in Maritime Scale April 21, 1913										
Maritimes	Apr. 21, 1913	22	19	17	14	11	10	8	9	8	7
Que.-Ont. (Central)	Jan. 1, 1884	24	21	18	15	12	11	9	10	9	7
Ontario (Superior)	May 1, 1886	28	23	19	14	12	11	9	8	8	8
Prairies (Ontario and Manitoba)	June 1, 1902	30	25	20	15	14	12	10	11	11	8
do. (Saskatchewan-Alberta)	May 7, 1902	32	27	22	17	16	13	11	12	11	8
Pacific	See Note on Page 1 of this Schedule.										
	Adjustments Prairie and Pacific Scales September 1, 1914. Western Rates Case.										
Maritimes	Apr. 21, 1913	22	19	17	14	11	10	8	9	8	7
Que.-Ont. (Central)	Jan. 1, 1884	24	21	18	15	12	11	9	10	9	7
Ontario (Superior)	May 1, 1886	28	23	19	14	12	11	9	8	8	7
Prairies	Sept. 1, 1914	30	25	20	15	14	12	10	11	11	8
Pacific	Sept. 1, 1914	38	32	26	20	18	16	12	13	14	10

SCHEDULE 23 (Continued)

For a Distance of 50 miles

Territory	Effective Date	Class Rates in Cents per 100 lbs. 1	2	3	4	5	6	7	8	9	10
	Increases in Maritime Scale July 27, 1915, and November 1, 1915										
Maritimes	July 27, 1915	24	21	18	15	12	11	9	10	9	7
do.	Nov. 1, 1915	24	21	18	15	12	11	9	10	9	7
Que.-Ont. (Central)	Jan. 1, 1884	24	21	18	15	12	11	9	10	9	7
Ontario (Superior)	May 1, 1886	28	23	19	14	12	11	9	8	8	7
Prairies	Sept. 1, 1914	30	25	20	15	14	12	10	11	11	8
Pacific	Sept. 1, 1914	38	32	26	20	18	16	12	13	14	10
	Scales following completion of Horizontal increases all Territories, March 15, 1918: August 12, 1918: September 13, 1920; and Reductions January 1, 1921, and December 1, 1921										
Maritimes	Dec. 1, 1921	43	37½	32	27½	22	19½	16½	18	16½	12½
Que.-Ont. (Central)	Dec. 1, 1921	43	37½	32	27½	22	19½	16½	18	16½	12½
Ontario (Superior)	Dec. 1, 1921	50	41½	34½	25	22	19½	16½	14½	14½	12½
Prairies	Dec. 1, 1921	45	38	30	23	21	18	15	17	17	12
Pacific	Dec. 1, 1921	57	48	39	30	27	24	18	20	21	15
	Modification of Mountain Differential Pacific Scale, August 1, 1922										
Maritimes	Dec. 1, 1921	43	37½	32	27½	22	19½	16½	18	16½	12½
Que.-Ont. (Central)	Dec. 1, 1921	43	37½	32	27½	22	19½	16½	18	16½	12½
Ontario (Superior)	Dec. 1, 1921	50	41½	34½	25	22	19½	16½	14½	14½	12½
Prairies	Dec. 1, 1921	45	38	30	23	21	18	15	17	17	12
Pacific	Aug. 1, 1922	53	44	35	27	24	23	17	18	20	14
	Maritime Scale Made Same as Quebec - Ontario (Central) May 10, 1923										
Maritimes	May 10, 1923	43	37½	32	27½	22	19½	16½	18	16½	12½
Que.-Ont. (Central)	Dec. 1, 1921	43	37½	32	27½	22	19½	16½	18	16½	12½
Ontario (Superior)	Dec. 1, 1921	50	41½	34½	25	22	19½	16½	14½	14½	12½
Prairies	Dec. 1, 1921	45	38	30	23	21	18	15	17	17	12
Pacific	Aug. 1, 1922	53	44	35	27	24	23	17	18	20	14
	Maritime Scale Reduced 20% in Compliance Maritime Freight Rates Act, July 1, 1927. (Currently in effect.)										
Maritimes	July 1, 1927	34	30	26	21	17	16	13	14	13	11
Que.-Ont. (Central)	Dec. 1, 1921	43	37½	32	27½	22	19½	16½	18	16½	12½
Ontario (Superior)	Dec. 1, 1921	50	41½	34½	25	22	19½	16½	14½	14½	12½
Prairies	Dec. 1, 1921	45	38	30	23	21	18	15	17	17	12
Pacific	Aug. 1, 1922	53	44	35	27	24	23	17	18	20	14

SCHEDULE 23 (Continued)

For a Distance of 100 miles

Territory	Effective Date	Class Rates in Cents per 100 lbs. 1	2	3	4	5	6	7	8	9	10
	Early Four Class Scales										
Intercolonial Rly.	June, 1876	32	27	21	16	-	-	-	-	-	-
Grand Trunk Rly.	June, 1874	34	28	23	17	-	-	-	-	-	-
(Que.-Ont.-Central)	to	36	30	24	18	-	-	-	-	-	-
Ontario (Superior)				Construction not completed.							
Prairies	May 7, 1881	34	27	22	17	-	-	-	-	-	-
do.	July, 1883	54	45	36	27	-	-	-	-	-	-
Pacific				Construction not completed.							
	First Ten Class Scales										
Maritimes	Dec. 3, 1889	28	24	17	12	11	10	8½	10½	10½	7
Que.-Ont. (Central)	Jan. 1, 1884	36	32	27	23	18	16	13	14	13	11
Ontario (Superior)	Nov. 2, 1885	54	45	36	27	25	21	16	17½	19½	14
Prairies	Apr. 15, 1885	54	45	36	27	25	21	16	17½	19½	14
Pacific				Construction not completed.							
	Ontario (Superior) Scale Modified May 1, 1886										
Maritimes	Dec. 3, 1889	28	24	17	12	11	10	8½	10½	10½	7
Que.-Ont. (Central)	Jan. 1, 1884	36	32	27	23	18	16	13	14	13	11
Ontario (Superior)	May 1, 1886	48	40	32	24	19	17	13	12	13	11
Prairies	Apr. 15, 1885	54	45	36	27	25	21	16	17½	19½	14
Pacific	See Note on Page 1 of this Schedule.										
	Maritime Scale Modified March 1, 1898										
Maritimes	Mar. 1, 1898	28	25	21	18	14	13	11	12	11	9
Que.-Ont. (Central)	Jan. 1, 1884	36	32	27	23	18	16	13	14	13	11
Ontario (Superior)	May 1, 1886	48	40	32	24	19	17	13	12	13	11
Prairies	Oct. 1, 1894	54	45	36	27	25	21	16	17½	19½	14
Pacific	See Note on Page 1 of this Schedule.										

For a Distance of 100 miles

Territory	Effective Date	Class Rates in Cents per 100 lbs. 1	2	3	4	5	6	7	8	9	10
Reductions in Prairie Scales Completed June 1, 1902, as Result Manitoba Agreement											
Maritimes	Mar. 1, 1898	28	25	21	18	14	13	11	12	11	9
Que.-Ont. (Central)	Jan. 1, 1884	36	32	27	23	18	16	13	14	13	11
Ontario (Superior)	May 1, 1886	48	40	32	24	19	17	13	12	13	11
Prairies (Ontario and Manitoba)	June 1, 1902	46	38	31	23	21	18	14	15	17	12
do. (Saskatchewan-Alberta)	May 7, 1902	50	42	33	25	23	19	15	16	18	13
Pacific	See Note on Page 1 of this Schedule.										
Increases in Maritime Scale April 21, 1913											
Maritimes	Apr. 21, 1913	32	28	24	20	16	14	12	13	12	10
Que.-Ont. (Central)	Jan. 1, 1884	36	32	27	23	18	16	13	14	13	11
Ontario (Superior)	May 1, 1886	48	40	32	24	19	17	13	12	13	11
Prairies (Ontario and Manitoba)	June 1, 1902	46	38	31	23	21	18	14	15	17	12
do. (Saskatchewan-Alberta)	May 7, 1902	50	42	33	25	23	19	15	16	18	13
Pacific	See Note on Page 1 of this Schedule.										
Adjustments Prairie and Pacific Scales September 1, 1914, Western Rates Case											
Maritimes	Apr. 21, 1913	32	28	24	20	16	14	12	13	12	10
Que.-Ont. (Central)	Jan. 1, 1884	36	32	27	23	18	16	13	14	13	11
Ontario (Superior)	May 1, 1886	48	40	32	24	19	17	13	12	13	11
Prairies	Sept. 1, 1914	46	38	31	23	21	18	14	15	17	12
Pacific	Sept. 1, 1914	60	50	40	30	26	21	16	18	21	14
Increases in Maritime Scale July 27, 1915, and November 1, 1915											
Maritimes	July 27, 1915	36	32	27	23	18	16	13	14	13	11
do.	Nov. 1, 1915	36	32	27	23	18	16	13	14	13	11
Que.-Ont. (Central)	Jan. 1, 1884	36	32	27	23	18	16	13	14	13	11
Ontario (Superior)	May 1, 1886	48	40	32	24	19	17	13	12	13	11
Prairies	Sept. 1, 1914	46	38	31	23	21	18	14	15	17	12
Pacific	Sept. 1, 1914	60	50	40	30	26	21	16	18	21	14

For a Distance of 100 miles

Territory	Effective Date	Class Rates in Cents per 100 lbs. 1	2	3	4	5	6	7	8	9	10
Scales following Completion of Horizontal Increases all Territories, March 15, 1918: August 12, 1918: September 13, 1920: and Reductions January 1, 1921, and December 1, 1921											
Maritimes	Dec. 1, 1921	65	58	49	41½	32	29	24	25	24	19½
Que.-Ont. (Central)	Dec. 1, 1921	65	58	49	41½	32	29	24	25	24	19½
Ontario (Superior)	Dec. 1, 1921	86½	72	58	43	34½	30½	24	22	24	19½
Prairies	Dec. 1, 1921	69	57	47	35	32	27	21	23	26	18
Pacific	Dec. 1, 1921	90	75	60	45	39	32	24	27	32	21
Modification of Mountain Differential Pacific Scale August 1, 1922											
Maritimes	Dec. 1, 1921	65	58	49	41½	32	29	24	25	24	19½
Que.-Ont. (Central)	Dec. 1, 1921	65	58	49	41½	32	29	24	25	24	19½
Ontario (Superior)	Dec. 1, 1921	86½	72	58	43	34½	30½	24	22	24	19½
Prairies	Dec. 1, 1921	69	57	47	35	32	27	21	23	26	18
Pacific	Aug. 1, 1922	81	68	54	39	36	30	23	26	30	20
Maritime Scale Made Same as Quebec-Ontario (Central) May 10, 1923											
Maritimes	May 10, 1923	65	58	49	41½	32	29	24	25	24	19½
Que.-Ont. (Central)	Dec. 1, 1921	65	58	49	41½	32	29	24	25	24	19½
Ontario (Superior)	Dec. 1, 1921	86½	72	58	43	34½	30½	24	22	24	19½
Prairies	Dec. 1, 1921	69	57	47	35	32	27	21	23	26	18
Pacific	Aug. 1, 1922	81	68	54	39	36	30	23	26	30	20
Maritime Scale Reduced 20% in Compliance Maritime Freight Rates Act, July 1, 1927. (Currently in effect.)											
Maritimes	July 1, 1927	52	46	39	33	26	24	20	22	20	17
Que.-Ont. (Central)	Dec. 1, 1921	65	58	49	41½	32	29	24	25	24	19½
Ontario (Superior)	Dec. 1, 1921	86½	72	58	43	34½	30½	24	22	24	19½
Prairies	Dec. 1, 1921	69	57	47	35	32	27	21	23	26	18
Pacific	Aug. 1, 1922	81	68	54	39	36	30	23	26	30	20

SCHEDULE 23 (Continued)

For a Distance of 200 miles

Territory	Effective Date	Class Rates in Cents per 100 lbs. 1	2	3	4	5	6	7	8	9	10
	Early Four Class Scales										
Intercolonial Rly.	June, 1876	53	44	35	26	-	-	-	-	-	-
Grand Trunk Rly.	June, 1874	50	42	33	25	-	-	-	-	-	-
(Que.-Ont.-Central)	to	54	45	36	27	-	-	-	-	-	-
Ontario (Superior)				Construction not completed.							
Prairies	May 7, 1881		Scale did not extend beyond 145 miles.								
do.	July, 1883	80	67	54	40	-	-	-	-	-	-
Pacific				Construction not completed.							
	First Ten Class Scales										
Maritimes	Dec. 3, 1889	36	31	22	16	15	14	12½	13	14	12
Que.-Ont. (Central)	Jan. 1, 1884	46	40	35	29	23	21	18	19	19	16
Ontario (Superior)	Nov. 2, 1885	80	67	54	40	36	30	22	24	30	18½
Prairies	Apr. 15, 1885	80	67	54	40	36	30	22	24	30	18½
Pacific				Construction not completed.							
	Ontario (Superior) Scale Modified May 1, 1886										
Maritimes	Dec. 3, 1889	36	31	22	16	15	14	12½	13	14	12
Que.-Ont. (Central)	Jan. 1, 1884	46	40	35	29	23	21	18	19	19	16
Ontario (Superior)	May 1, 1886	64	53	43	32	26	24	18	19	19	16
Prairies	Apr. 15, 1885	80	67	54	40	36	30	22	24	30	18½
Pacific	See Note on Page 1 of this Schedule.										
	Maritime Scale Modified March 1, 1898										
Maritimes	Mar. 1, 1898	36	32	27	23	18	16	14	15	14	12
Que.-Ont. (Central)	Jan. 1, 1884	46	40	35	29	23	21	18	19	19	16
Ontario (Superior)	May 1, 1886	64	53	43	32	26	24	18	19	19	16
Prairies	Oct. 1, 1894	80	67	54	40	36	30	22	24	30	18½
Pacific	See Note on Page 1 of this Schedule.										

For a Distance of 200 miles

Territory	Effective Date	1	2	3	4	5	6	7	8	9	10
		Class Rates in Cents per 100 lbs.									
Reductions in Prairie Scales Completed June 1, 1902, as Result Manitoba Agreement											
Maritimes	Mar. 1, 1898	36	32	27	23	18	16	14	15	14	12
Que.-Ont. (Central)	Jan. 1, 1884	46	40	35	29	23	21	18	19	19	16
Ontario (Superior)	May 1, 1886	64	53	43	32	26	24	18	19	19	16
Prairies (Ontario and Manitoba)	June 1, 1902	68	57	46	34	31	26	19	20	26	16
do. (Saskatchewan-Alberta)	May 7, 1902	74	62	50	37	33	28	20	22	28	17
Pacific	See Note on Page 1 of this Schedule.										
Increases in Maritime Scale April 21, 1913											
Maritimes	Apr. 21, 1913	40	35	30	25	20	18	16	16	16	14
Que.-Ont. (Central)	Jan. 1, 1884	46	40	35	29	23	21	18	19	19	16
Ontario (Superior)	May 1, 1886	64	53	43	32	26	24	18	19	19	16
Prairies (Ontario and Manitoba)	June 1, 1902	68	57	46	34	31	26	19	20	26	16
do. (Saskatchewan-Alberta)	May 7, 1902	74	62	50	37	33	28	20	22	28	17
Pacific	See Note on Page 1 of this Schedule.										
Adjustments Prairie and Pacific Scale September 1, 1914, Western Rates Case											
Maritimes	Apr. 21, 1913	40	35	30	25	20	18	16	16	16	14
Que.-Ont. (Central)	Jan. 1, 1884	46	40	35	29	23	21	18	19	19	16
Ontario (Superior)	May 1, 1886	64	53	43	32	26	24	18	19	19	16
Prairies	Sept. 1, 1914	68	57	46	34	31	26	19	20	26	16
Pacific	Sept. 1, 1914	87	72	58	43	39	33	24	25	33	20
Increases in Maritime Scale July 27, 1915 and November 1, 1915											
Maritimes	July 27, 1915	42	37	32	26	21	19	17	17	17	15
do.	Nov. 1, 1915	46	40	35	29	23	21	18	19	19	16
Que.-Ont. (Central)	Jan. 1, 1884	46	40	35	29	23	21	18	19	19	16
Ontario (Superior)	May 1, 1886	64	53	43	32	26	24	18	19	19	16
Prairies	Sept. 1, 1914	68	57	46	34	31	26	19	20	26	16
Pacific	Sept. 1, 1914	87	72	58	43	39	33	24	25	33	20

For a Distance of 200 Miles

Territory	Effective Date	Class Rates in Cents per 100 lbs. 1	2	3	4	5	6	7	8	9	10
Scales following Completion of Horizontal Increases all Territories, March 15, 1918: August 12, 1918: September 13, 1920: and Reductions January 1, 1921 and December 1, 1921											
Maritimes	Dec. 1, 1921	83	72	63	52	41½	37½	32	34½	34½	29
Que.-Ont. (Central)	Dec. 1, 1921	83	72	63	52½	41½	37½	32	34½	34½	29
Ontario (Superior)	Dec. 1, 1921	115	95½	77½	58	47	43	32	34½	34½	29
Prairies	Dec. 1, 1921	102	86	69	51	47	39	29	30	39	24
Pacific	Dec. 1, 1921	131	108	87	65	59	50	36	38	50	30
Modification of Mountain Differential Pacific Scale August 1, 1922											
Maritimes	Dec. 1, 1921	83	72	63	52	41½	37½	32	34½	34½	29
Que.-Ont. (Central)	Dec. 1, 1921	83	72	63	52½	41½	37½	32	34½	34½	29
Ontario (Superior)	Dec. 1, 1921	115	95½	77½	58	47	43	32	34½	34½	29
Prairies	Dec. 1, 1921	102	86	69	51	47	39	29	30	39	24
Pacific	Aug. 1, 1922	119	98	78	59	53	44	32	35	44	26
Maritime Scale made same as Quebec-Ontario (Central) May 10, 1923											
Maritimes	May 10, 1923	83	72	63	52½	41½	37½	32	34½	34½	29
Que.-Ont. (Central)	Dec. 1, 1921	83	72	63	52½	41½	37½	32	34½	34½	29
Ontario (Superior)	Dec. 1, 1921	115	95½	77½	58	47	43	32	34½	34½	29
Prairies	Dec. 1, 1921	102	86	69	51	47	39	29	30	39	24
Pacific	Aug. 1, 1922	119	98	78	59	53	44	32	35	44	26
Maritime Scale Reduced 20% in Compliance Maritime Freight Rates Act, July 1, 1927. (Currently in effect.)											
Maritimes	July 1, 1927	66	58	50	41	33	31	25	27	27	23
Que.-Ont. (Central)	Dec. 1, 1921	83	72	63	52½	41½	37½	32	34½	34½	29
Ontario (Superior)	Dec. 1, 1921	115	95½	77½	58	47	43	32	34½	34½	29
Prairies	Dec. 1, 1921	102	86	69	51	47	39	29	30	39	24
Pacific	Aug. 1, 1922	119	98	78	59	53	44	32	35	44	26

For a Distance of 400 Miles

Territory	Effective Date	Class Rates in Cents per 100 lbs. 1	2	3	4	5	6	7	8	9	10
	Early Four Class Scales										
Intercolonial Rly.	June, 1876	76	65	54	41	-	-	-	-	-	-
Grand Trunk Rly.	June, 1874	76	62	50	38	-	-	-	-	-	-
Que.-Ont. (Central)	to	80	67	54	40	-	-	-	-	-	-
Ontario (Superior)	Construction not completed.										
Prairies	May 7, 1881	Scale did not extend beyond 145 miles.									
do.	July, 1883	123	103	82	62	-	-	-	-	-	-
Pacific	Construction not completed.										
	First Ten Class Scales										
Maritimes	Dec. 3, 1889	44	38	28	22	21	19	16½	17	18	15½
Que.-Ont. (Central)	Jan. 1, 1884	70	61	53	44	35	33	24	25	27	23
Ontario (Superior)	Nov. 2, 1885	123	103	82	62	56	47	33	34	47	27½
Prairies	Apr. 15, 1885	123	103	82	62	56	47	33	34	47	27½
Pacific	Construction not completed.										
	Ontario (Superior) Scale Modified May 1, 1886										
Maritimes	Dec. 3, 1889	44	38	28	22	21	19	16½	17	18	15½
Que.-Ont. (Central)	Jan. 1, 1884	70	61	53	44	35	33	24	25	27	23
Ontario (Superior)	May 1, 1886	88	73	59	44	35	33	25	26	28	24
Prairies	Apr. 15, 1885	123	103	82	62	56	47	33	34	47	27½
Pacific	See Note on Page 1 of this Schedule.										
	Maritime Scale Modified March 1, 1898										
Maritimes	Mar. 1, 1898	44	39	33	28	22	20	17	18	18	15
Que.-Ont. (Central)	Jan. 1, 1884	70	61	53	44	35	33	24	25	27	23
Ontario (Superior)	May 1, 1886	88	73	59	44	35	33	25	26	28	24
Prairies	Oct. 1, 1894	123	103	82	62	56	47	33	34	47	27½
Pacific	See Note on Page 1 of this Schedule.										

For a Distance of 400 Miles

Territory	Effective Date	1	2	3	4	5	6	7	8	9	10
		Class Rates in Cents per 100 lbs.									
Reductions in Prairie Scales Completed June 1, 1902, as Result Manitoba Agreement											
Maritimes	Mar. 1, 1898	44	39	33	28	22	20	17	18	18	15
Que.-Ont. (Central)	Jan. 1, 1884	70	61	53	44	35	33	24	25	27	23
Ontario (Superior)	May 1, 1886	88	73	59	44	35	33	25	26	28	24
Prairies (Ontario and Manitoba)	June 1, 1902	105	88	70	53	48	40	28	29	40	23
do. (Saskatchewan-Alberta)	May 7, 1902	114	95	76	57	52	43	31	31	43	25
Pacific	See Note on Page 1 of this Schedule.										
Increases in Maritime Scale April 21, 1913											
Maritimes	Apr. 21, 1913	58	51	44	36	29	27	21	22	24	20
Que.-Ont. (Central)	Jan. 1, 1884	70	61	53	44	35	33	24	25	27	23
Ontario (Superior)	May 1, 1886	88	73	59	44	35	33	25	26	28	24
Prairies (Ontario and Manitoba)	June 1, 1902	105	88	70	53	48	40	28	29	40	23
do. (Saskatchewan-Alberta)	May 7, 1902	114	95	76	57	52	43	31	31	43	25
Pacific	See Note on Page 1 of this Schedule.										
Adjustments Prairie and Pacific Scales September 1, 1914, Western Rates Case											
Maritimes	Apr. 21, 1913	58	51	44	36	29	27	21	22	24	20
Que.-Ont. (Central)	Jan. 1, 1884	70	61	53	44	35	33	24	25	27	23
Ontario (Superior)	May 1, 1886	88	73	59	44	35	33	25	26	28	24
Prairies	Sept. 1, 1914	105	88	70	53	48	40	28	29	40	23
Pacific	Sept. 1, 1914	140	117	93	70	62	53	37	37	53	31
Increases in Maritime Scale July 27, 1915 and November 1, 1915											
Maritimes	July 27, 1915	58	51	44	36	29	27	21	22	24	20
do.	Nov. 1, 1915	60	53	45	38	30	28	21	22	24	20
Que.-Ont. (Central)	Jan. 1, 1884	70	61	53	44	35	33	24	25	27	23
Ontario (Superior)	May 1, 1886	88	73	59	44	35	33	25	26	28	24
Prairies	Sept. 1, 1914	105	88	70	53	48	40	28	29	40	23
Pacific	Sept. 1, 1914	140	117	93	70	62	53	37	37	53	31

For a Distance of 400 miles

Territory	Effective Date	1	2	3	4	5	6	7	8	9	10
		Class Rates in Cents per 100 lbs.									
Scales following Completion of Horizontal Increases all Territories, March 15, 1918: August 12, 1918: September 13, 1920: and Reductions January 1, 1921 and December 1, 1921											
Maritimes	Dec. 1, 1921	108	95½	81½	68	54	50	37½	40	43	36½
Que.-Ont. (Central)	Dec. 1, 1921	125½	109½	95½	79	63	59½	43	45½	49	41½
Ontario (Superior)	Dec. 1, 1921	158	131½	106½	79	63	59½	45½	47	40	43
Prairies	Dec. 1, 1921	158	132	105	80	72	60	42	44	60	35
Pacific	Dec. 1, 1921	210	176	140	105	93	80	56	56	80	47
Modification of Mountain Differential Pacific Scale August 1, 1922											
Maritimes	Dec. 1, 1921	108	95½	81½	68	54	50	37½	40	43	36½
Que.-Ont. (Central)	Dec. 1, 1921	125½	109½	95½	79	63	59½	43	45½	49	41½
Ontario (Superior)	Dec. 1, 1921	158	131½	106½	79	63	59½	45½	47	50	43
Prairies	Dec. 1, 1921	158	132	105	80	72	60	42	44	60	35
Pacific	Aug. 1, 1922	183	152	122	92	83	71	48	48	71	41
Maritime Scale made same as Quebec-Ontario (Central) May 10, 1923											
Maritimes	May 10, 1923	125½	109½	95½	79	63	59½	43	45½	49	41½
Que.-Ont. (Central)	Dec. 1, 1921	125½	109½	95½	79	63	59½	43	45½	49	41½
Ontario (Superior)	Dec. 1, 1921	158	131½	106½	79	63	59½	45½	47	50	43
Prairies	Dec. 1, 1921	158	132	105	80	72	60	42	44	60	35
Pacific	Aug. 1, 1922	183	152	122	92	83	71	48	48	71	41
Maritime Scale Reduced 20% in Compliance Maritime Freight Rates Act, July 1, 1927. (Currently in effect.)											
Maritimes	July 1, 1927	100	88	75	63	50	48	37	36	39	34
Que.-Ont. (Central)	Dec. 1, 1921	125½	109½	95½	79	63	59½	43	45½	49	41½
Ontario (Superior)	Dec. 1, 1921	158	131½	106½	79	63	59½	45½	47	50	43
Prairies	Dec. 1, 1921	158	132	105	80	72	60	42	44	60	35
Pacific	Aug. 1, 1922	183	152	122	92	83	71	48	48	71	41

For a Distance of 700 miles

Territory	Effective Date	Class Rates in Cents per 100 lbs. 1	2	3	4	5	6	7	8	9	10
	Early Four Class Scales										
Intercolonial Rly.	June, 1876	Scale did not extend beyond 400 miles.									
Grand Trunk Rly.	June, 1874	110	93	74	55	-	-	-	-	-	-
Que.-Ont. (Central)	to	120	100	80	60	-	-	-	-	-	-
Ontario (Superior)		Construction not completed.									
Prairies	May 7, 1881	Scale did not extend beyond 145 miles.									
do.	July, 1883	180	150	120	90	-	-	-	-	-	-
Pacific		Construction not completed.									
	First Ten Class Scales										
Maritimes	Dec. 3, 1889	52	44	34	26	25	24	20	21	22½	17½
Que.-Ont. (Central)	Jan. 1, 1884	106	93	80	66	53	51	38	39	40	37
Ontario (Superior)	Nov. 2, 1885	180	150	120	90	81	70	48	46	70	41
Prairies	Apr. 15, 1885	180	150	120	90	81	70	48	46	70	41
Pacific		Construction not completed.									
	Ontario (Superior) Scale Modified May 1, 1886										
Maritimes	Dec. 3, 1889	52	44	34	26	25	24	20	21	22½	17½
Que.-Ont. (Central)	Jan. 1, 1884	106	93	80	66	53	51	38	39	40	37
Ontario (Superior)	May 1, 1886	124	103	83	62	50	48	38	39	41	37
Prairies	Apr. 15, 1885	180	150	120	90	81	70	48	46	70	41
Pacific	See Note on Page 1 of this Schedule.										
	Maritime Scale Modified March 1, 1898										
Maritimes	Mar. 1, 1898	52	46	39	33	26	24	20	20	22	18
Que.-Ont. (Central)	Jan. 1, 1884	106	93	80	66	53	51	38	39	40	37
Ontario (Superior)	May 1, 1886	124	103	83	62	50	48	38	39	41	37
Prairies	Oct. 1, 1894	180	150	120	90	81	70	48	46	70	41
Pacific	See Note on Page 1 of this Schedule.										

For a Distance of 700 miles

Territory	Effective Date	Class Rates in Cents per 100 lbs. 1	2	3	4	5	6	7	8	9	10
Reductions in Prairie Scales Completed June 1, 1902, as Result Manitoba Agreement											
Maritimes	Mar. 1, 1898	52	46	39	33	26	24	20	20	22	18
Que.-Ont. (Central)	Jan. 1, 1884	106	93	80	66	53	51	38	39	40	37
Ontario (Superior)	May 1, 1886	124	103	83	62	50	48	38	39	41	37
Prairies (Ontario and Manitoba)	June 1, 1902	153	128	102	77	69	60	41	39	60	35
do. (Saskatchewan-Alberta)	May 7, 1902	166	139	111	83	75	65	44	42	65	38
Pacific	See Note on Page 1 of this Schedule.										
Increases in Maritime Scale April 21, 1913											
Maritimes	Apr. 21, 1913	72	63	54	45	36	34	25	26	28	24
Que.-Ont. (Central)	Jan. 1, 1884	106	93	80	66	53	51	38	39	40	37
Ontario (Superior)	May 1, 1886	124	103	83	62	50	48	38	39	41	37
Prairies (Ontario and Manitoba)	June 1, 1902	153	128	102	77	69	60	41	39	60	35
do. (Saskatchewan-Alberta)	May 7, 1902	166	139	111	83	75	65	44	42	65	38
Pacific	See Note on Page 1 of this Schedule.										
Adjustments Prairie and Pacific Scales September 1, 1914, Western Rates Case											
Maritimes	Apr. 21, 1913	72	63	54	45	36	34	25	26	28	24
Que.-Ont. (Central)	Jan. 1, 1884	106	93	80	66	53	51	38	39	40	37
Ontario (Superior)	May 1, 1886	124	103	83	62	50	48	38	39	41	37
Prairies	Sept. 1, 1914	153	128	102	77	69	60	41	39	60	35
Pacific	Sept. 1, 1914	201	167	133	100	90	79	56	48	79	46
Increases in Maritime Scale July 27, 1915 and November 1, 1915											
Maritimes	July 27, 1915	72	63	54	45	36	34	25	26	28	24
do.	Nov. 1, 1915	82	72	62	51	41	39	29	30	30	28
Que.-Ont. (Central)	Jan. 1, 1884	106	93	80	66	53	51	38	39	40	37
Ontario (Superior)	May 1, 1886	124	103	83	62	50	48	38	39	41	37
Prairies	Sept. 1, 1914	153	128	102	77	69	60	41	39	60	35
Pacific	Sept. 1, 1914	201	167	133	100	90	79	56	48	79	46

For a Distance of 700 miles

Territory	Effective Date	Class Rates in Cents per 100 lbs. 1	2	3	4	5	6	7	8	9	10
Scales following Completion of Horizontal Increases all Territories, March 15, 1918: August 12, 1918: September 13, 1920: and Reductions January 1, 1921 and December 1, 1921											
Maritimes	Dec. 1, 1921	147½	130	112	91½	74	70½	52½	54	54	50
Que.-Ont. (Central)	Dec. 1, 1921	190½	167½	144	119	95½	91½	68	70½	72	66½
Ontario (Superior)	Dec. 1, 1921	222½	185	149½	112	90	86½	68	70½	74	66½
Prairies	Dec. 1, 1921	230	192	153	116	104	90	62	59	90	53
Pacific	Dec. 1, 1921	302	251	200	150	135	119	84	72	119	69
Modification of Mountain Differential Pacific Scale August 1, 1922											
Maritimes	Dec. 1, 1921	147½	130	112	91½	74	70½	52½	54	54	50
Que.-Ont. (Central)	Dec. 1, 1921	190½	167½	144	119	95½	91½	68	70½	72	66½
Ontario (Superior)	Dec. 1, 1921	222½	185	149½	112	90	86½	68	70½	74	66½
Prairies	Dec. 1, 1921	230	192	153	116	104	90	62	59	90	53
Pacific	Aug. 1, 1922	267	222	179	132	120	104	72	66	104	62
Maritime Scale made same as Quebec-Ontario (Central) May 10, 1923											
Maritimes	May 10, 1923	190½	167½	144	119	95½	91½	68	70½	72	66½
Que.-Ont. (Central)	Dec. 1, 1921	190½	167½	144	119	95½	91½	68	70½	72	66½
Ontario (Superior)	Dec. 1, 1921	222½	185	149½	112	90	86½	68	70½	74	66½
Prairies	Dec. 1, 1921	230	192	153	116	104	90	62	59	90	53
Pacific	Aug. 1, 1922	267	222	179	132	120	104	72	66	104	62
Maritime Scale Reduced 20% in Compliance Maritime Freight Rates Act, July 1, 1927. (Currently in effect.)											
Maritimes	July 1, 1927	148	130	111	93	74	70	56	56	58	62
Que.-Ont. (Central)	Dec. 1, 1921	190½	167½	144	119	95½	91½	68	70½	72	66½
Ontario (Superior)	Dec. 1, 1921	222½	185	149½	112	90	86½	68	70½	74	66½
Prairies	Dec. 1, 1921	230	192	153	116	104	90	62	59	90	53
Pacific	Aug. 1, 1922	267	222	179	132	120	104	72	66	104	62

For a Distance of 1,000 miles

Territory	Effective Date	1	2	3	4	5	6	7	8	9	10
		Class Rates in Cents per 100 lbs.									
		Early Four Class Rates									
Intercolonial Rly.	June, 1874	Scale did not extend beyond 400 miles.									
Grand Trunk Rly.	June, 1874	No rates published for distance of 1,000 miles.									
Que.-Ont. (Central)											
Ontario (Superior)		Construction not completed.									
Prairies	May 7, 1881	Scale did not extend beyond 145 miles.									
do.	July, 1883	228	190	152	114	-	-	-	-	-	-
Pacific		Construction not completed.									
		First Ten Class Scales									
Maritimes	Dec. 3, 1889	Scale did not extend beyond 700 miles.									
Que.-Ont. (Central)	Jan. 1, 1884	150	131	113	94	75	73	54	56	57	53
Ontario (Superior)	Nov. 2, 1885	228	190	152	114	102	90	63	55	90	52½
Prairies	Apr. 15, 1885	228	190	152	114	102	90	63	55	90	52½
Pacific		Construction not completed.									
		Ontario (Superior) Scale Modified May 1, 1886									
Maritimes	Dec. 3, 1889	Scale did not extend beyond 700 miles.									
Que.-Ont. (Central)	Jan. 1, 1884	150	131	113	94	75	73	54	56	57	53
Ontario (Superior)	May 1, 1886	160	133	107	80	64	62	52	54	55	51
Prairies	Apr. 15, 1885	228	190	152	114	102	90	63	55	90	52½
Pacific		See Note on Page 1 of this Schedule.									
		Maritime Scale Modified March 1, 1898									
Maritimes	Mar. 1, 1898	80	70	60	50	40	38	28	29	30	27
Que.-Ont. (Central)	Jan. 1, 1884	150	131	113	94	75	73	54	56	57	53
Ontario (Superior)	May 1, 1886	160	133	107	80	64	62	52	54	55	51
Prairies	Oct. 1, 1894	228	190	152	114	102	90	63	55	90	52½
Pacific		See Note on Page 1 of this Schedule.									

For a Distance of 1,000 miles

Territory	Effective Date	1	2	3	4	5	6	7	8	9	10
		Class Rates in Cents per 100 lbs.									
Reductions in Prairie Scales Completed June 1, 1902, as Result Manitoba Agreement											
Maritimes	Mar. 1, 1898	80	70	60	50	40	38	28	29	30	27
Que.-Ont. (Central)	Jan. 1, 1884	150	131	113	94	75	73	54	56	57	53
Ontario (Superior)	May 1, 1886	160	133	107	80	64	62	52	54	55	51
Prairies (Ontario and Manitoba)	June 1, 1902	194	162	129	97	87	77	54	47	77	45
do. (Saskatchewan-Alberta)	May 7, 1902	211	176	140	105	94	83	58	51	83	48
Pacific		See Note on Page 1 of this Schedule.									
Increases in Maritime Scale April 21, 1913											
Maritimes	Apr. 21, 1913	100	88	75	63	50	48	37	38	39	36
Que.-Ont. (Central)	Jan. 1, 1884	150	131	113	94	75	73	54	56	57	53
Ontario (Superior)	May 1, 1886	160	133	107	80	64	62	52	54	55	51
Prairies (Ontario and Manitoba)	June 1, 1902	194	162	129	97	87	77	54	47	77	45
do. (Saskatchewan-Alberta)	May 7, 1902	211	176	140	105	94	83	58	51	83	48
Pacific		See Note on Page 1 of this Schedule.									
Adjustments Prairie and Pacific Scales September 1, 1914, Western Rates Case											
Maritimes	Apr. 21, 1913	100	88	75	63	50	48	37	38	39	36
Que.-Ont. (Central)	Jan. 1, 1884	150	131	113	94	75	73	54	56	57	53
Ontario (Superior)	May 1, 1886	160	133	107	80	64	62	52	54	55	51
Prairies	Sept. 1, 1914	194	162	129	97	87	77	54	47	77	45
Pacific	Sept. 1, 1914	242	201	161	121	110	99	71	59	99	59
Increases in Maritime Scale July 27, 1915 and November 1, 1915											
Maritimes	July 27, 1915	100	88	75	63	50	48	37	38	39	36
do.	Nov. 1, 1915	100	88	75	63	50	48	37	38	39	36
Que.-Ont. (Central)	Jan. 1, 1884	150	131	113	94	75	73	54	56	57	53
Ontario (Superior)	May 1, 1886	160	133	107	80	64	62	52	54	55	51
Prairies	Sept. 1, 1914	194	162	129	97	87	77	54	47	77	45
Pacific	Sept. 1, 1914	242	201	161	121	110	99	71	59	99	59

For a Distance of 1,000 miles

Territory	Effective Date	1	2	3	4	5	6	7	8	9	10
		Class Rates in Cents per 100 lbs.									
Scales following Completion of Horizontal Increases all Territories, March 15, 1918: August 12, 1918: September 13, 1920: and Reductions January 1, 1921 and December 1, 1921											
Maritimes	Dec. 1, 1921	180	158	135	113	90	86½	66½	68	70½	65
Que.-Ont. (Central)	Dec. 1, 1921	269½	235	203	169	135	131½	97	100½	102½	95½
Ontario (Superior)	Dec. 1, 1921	287½	239½	192½	144	115	112	94	97	99½	91½
Prairies	Dec. 1, 1921	291	243	194	146	131	116	81	71	116	68
Pacific	Dec. 1, 1921	363	302	242	182	165	149	107	89	149	89
Modification of Mountain Differential Pacific Scale August 1, 1922											
Maritimes	Dec. 1, 1921	180	158	135	113	90	86½	66½	68	70½	65
Que.-Ont. (Central)	Dec. 1, 1921	269½	235	203	169	135	131½	97	100½	102½	95½
Ontario (Superior)	Dec. 1, 1921	287½	239½	192½	144	115	112	94	97	99½	91½
Prairies	Dec. 1, 1921	291	243	194	146	131	116	81	71	116	68
Pacific	Aug. 1, 1922	327	273	218	164	147	132	93	78	132	78
Maritime Scale made same as Quebec-Ontario (Central) May 10, 1923											
Maritimes	May 10, 1923	269½	235	203	169	135	131½	97	100½	102½	95½
Que.-Ont. (Central)	Dec. 1, 1921	269½	235	203	169	135	131½	97	100½	102½	95½
Ontario (Superior)	Dec. 1, 1921	287½	239½	192½	144	115	112	94	97	99½	91½
Prairies	Dec. 1, 1921	291	243	194	146	131	116	81	71	116	68
Pacific	Aug. 1, 1922	327	273	218	164	147	132	93	78	132	78
Maritime Scale Reduced 20% in Compliance Maritime Freight Rates Act, July 1, 1927. (Currently in effect.)											
Maritimes	July 1, 1927	220	192	165	137	110	105	80	81	82	76
Que.-Ont. (Central)	Dec. 1, 1921	269½	235	203	169	135	131½	97	100½	102½	95½
Ontario (Superior)	Dec. 1, 1921	287½	239½	192½	144	115	112	94	97	99½	91½
Prairies	Dec. 1, 1921	291	243	194	146	131	116	81	71	116	68
Pacific	Aug. 1, 1922	327	273	218	164	147	132	93	78	132	78

SCHEDULE 24 - WESTERN RATES CASE

(May 30th 1914, General Order No.125)

ORIGIN:

The first step leading up to the enquiry was the following resolution of the Winnipeg Board of Trade, of November 14, 1911:-

"Whereas the rates charged by the Canadian Pacific Railway Company for the carriage of freight from Winnipeg and throughout the whole western country were originally based on a much higher scale than those charged for a similar service on the same road in the eastern portions of the Dominion, and

Whereas the complaint being made to W. C. VanHorne, the then head of the said railway, he stated that "as the volume of traffic increased the rates of freight would naturally decrease", and

Whereas the rates of freight have not decreased since then notwithstanding continued complaints made, and the fact that the tonnage to be hauled now taxes the capacity of the Canadian Pacific Railway and the Canadian Northern Railway to the utmost, as shown by congestion in their yards, and

Whereas the rates charged are greatly in excess of not only those charged for a similar service in the East, but also those charged on the Soo Line, an allied company of the Canadian Pacific Railway in the States to the south of us, and

Whereas the burden of excessive freight rates has for many years been a source of great complaint as well as being a grave injustice to the people of the entire western portion of our Dominion, and

Whereas the Railway Commission, whether from want of sufficient jurisdiction, or whatever cause, have failed to deal with the matter.

Therefore be it resolved that in the opinion of this Board, the time has arrived when the Government of this Dominion should be legislation lay down the principle that the rates allowed to be charged by the railways in the Western provinces shall not exceed those charged in Ontario and Quebec for a similar service to a greater extent than necessary to cover any excess there may be in the cost of operation in the West ower that in Ontario and Quebec, and it is recommended that this Board take immediate action in respect thereto, and ask the co-operation of western Boards in the presentation of facts to the Government through the Honorable Robert Rogers and other western members of Parliament."

This resolution was widely circulated and adopted by other Boards of Trade and was transmitted to the Board of Railway Commissioners by the Minister of Railways and Canals. An exchange of correspondence took place between the Winnipeg Board of Trade and the late Chief Commissioner Mabee culminating in a general inquiry into Western Freight Rates including the Province of British Columbia, where a pending inquiry had previously been heard.

ARGUMENT AND FINDINGS

Replying to the argument that low rates in the East were made possible by excessive rates in the West, the Board stated:

> " The rates in Eastern Canada may be low, perhaps at certain points too low even in view of its geographical advantages. It cannot fairly be said, however, that these low rates are in any manner the result of excessive western rates. They are practically the rates which applied long before the profits of western railway operations had anything to do with Canadian railway resources."

"The manufacturer in Montreal would probably be as much advantaged by a general cut in freight rates west of Fort William as a shipper in Winnipeg would be."

On the question of discrimination, the Board said:

"Under it (Railway Act) discrimination is justifiable as between different localities so long as it does not amount to unjust discrimination."

Greater diversity of traffic, lower wages and better traffic conditions in the East were given by the railways in support of lower rates there. The Board considered the longer average haul and lower terminal expenses in the West to be compensating features. The heaviest traffic in Western Canada is on the Canadian Pacific: in 1912, it was 945,000 revenue ton-miles per mile of road, and in the East for the Grand Trunk it was 1,052,000. The Board found that:

"The actual results per mile of track are much more useful for comparative purposes than the consideration of paper rates on which traffic may never move."

The railways contended that eastern rates were compelled by water competition and railway competition; that on export business from Windsor and east, American competition prevailed; that operation of the Michigan Central and Wabash through Canada affected Canadian rates with resulting anomalies and direct discriminations. The latter had been rectified by the International Rate Case, in which the competition was recognized by the Board as justification for low rates. Although water competition from the East to Fort William was admitted to exist, it was argued that the water rate had played a greater part than any other factor in the prosperity of the West; that additions to water facilities had been demanded by the necessity of providing the cheapest and quickest outlet for western productions; and that an enforced lower rate structure in the East did not cause as much injury to the West as claimed.

Counsel for the Provinces of Alberta and Saskatchewan admitted water competition existed in Eastern Canada and in law

the railways are permitted leeway to meet such situations, but he considered that points back from the area of such competition were not entitled to the same treatment. The Board's views on this point were that business could not be worked up at points adjacent to actual water competitive points should a higher level be charged.

> "For example, the rate from the East to Winnipeg is influenced in a very large part by water, although Winnipeg is 410 miles from the end of that water route. And, in like manner, shipments from a Manitoba farm obtain for the larger part of their eastern movement the full benefit of water competition."

> "In like manner, unless the contention is that the Canadian Pacific is carrying its traffic at a loss in Eastern Canada, which assumption, apart from the Atlantic Division, would be directly against the arguments of all Counsel in support, of the complaints, arguing, as they all have, that the rates in Eastern Canada are remunerative and should be adopted as rates for the West, a rate to Winchester and similar points which will permit traffic to move and enable the railway to earn something over and above operating costs is in ease of the whole situation, in view of the fact that the complaint now considered is of discrimination against the West."

The operations of the Canadian Pacific, Atlantic Division were considered. They were stated to be insufficient to cover actual operating expenses because of the low rates in the Maritime Provinces due to water competition and rates on the Intercolonial, the latter's operations largely resulting in deficits. In 1912 the total ton-mile movement on the Atlantic Division was 327,620,915 of which 113,553,182 covered grain and its products or 34 per cent of the total movement and average return per ton mile was 64 cents, due to special rates applying on grain and products largely from the West. The Board stated that:

> "The result is that the Western Provinces, producing, as they do, grain and flour, and interested as they are, in a cheap furtherance rate, not only within their own borders but to the seaboard, instead of being injured, are largely benefited by the scale of rates applicable on the Atlantic Division.

> "This is again but another evidence of the fact of the similarity of interest that exists in the country,and the mistake that has been made in this case of treating the rate situation very largely from a local or provincial standpoint."

Summarizing the eastern question, the Board stated that water competition in the East was effective; for the eastern settlements were first made along the water routes, and the large centres of population and production were situated upon them, resulting in the greater part of eastern railway business being on lines of water communication. That certain portions of Ontario, not directly located on water channels, might obtain benefit of the general level of the basic water competitive rates was not held to be sufficient reason why the Board should order Western rates reduced to that parity, especially as even such inland points were to degree affected by American competitive rail rates.

> "The issue has been presented in the large. It cannot be decided on the question whether at a comparatively few points in the East undue effect has been given to competitive features. No evidence was given directed to the amount of traffic at such points, or the importance of rates said to be out of scale having regard to public interest or the effect, if any, on other centres, nor the result worked by rates out of the scale on the company's revenues."

The question was whether Eastern tolls as a whole unjustly discriminated against Western Canada or resulted in undue or unreasonable preference to Eastern Canada. The Grand Trunk was as insistent on maintaining its revenue as the Canadian Pacific in the West. If eastern rates were to be considered "voluntary" and not founded upon water and American line competition it would be a finding that the Grand Trunk was a philanthropic association engaged in business for the benefit of the shippers. Operations, prior and subsequent to rate regulation, of the Grand Trunk resulted in unsatisfactory financial return to the shareholders.

> "On economic principles, special rates to competitive points, or in competitive zones, as already noted, have been justified. They have been practically always regarded as proper in principle, and probably must apply for all time in the future, at least until such time as railways cease to be operated for profit and are carried on as a matter of governmental operation irrespective entirely either of cost or value of services, or the necessity of obtaining business."

> "For the reasons stated I am of the opinion that while discrimination exists between the rates charged east and west of Port Arthur the discrimination is justified under the Railway Act and the decisions of the Board already referred to; and is neither undue nor unjust."

Review was made of the extent of railway mileage in the West which was considered to be inadequate, particularly in Saskatchewan and Alberta, where railways in many instances were a crying necessity. Comparisons are largely made upon an acreage basis; the cost and time taken to haul to and from the railway; that all acreage extending at right angles to the track for 10 miles was considered to have sufficient railway accommodation.

Extension being necessary, the Board commented upon whether it should assist in such construction by authorizing higher rates over the whole railway system than would otherwise be reasonable. It held that such a principle could not be entertained. New extensions should be made at the risk of the Company and not at expense of shippers on the existing lines. No consideration was therefore given to the question of extensions in considering the rates generally.

Winnipeg interests alleged unnecessary duplications, mainly in transcontinental lines, while much territory wanted development. Numerous comparisons were cited of similar conditions in the East, but the Board declined to pass any opinion upon how much of the duplication was or was not necessary. They admitted the point well founded and that control of this situation was necessary by the Government.

It was argued that the Canadian Northern was not considered to be a basis upon which to determine a reasonable level of rates for it was still in the construction stage and had gone into the western field competing on equal terms with the road already there. All complainants contended that the Canadian Pacific should be the standard. The Board stated that neither position is correct and that the rates should be in accordance with traffic necessities and a fair return to the carrier; that no rate should be

based upon the capital structure of the Company, the whole question being what rates are fair. Citation was made of the words of the late Chief Commissioner Mabee:-

> "The question for us to decide is what rates are fair irrespective of how much any company is worth or is not worth."

It was further stated that the Grand Trunk Pacific undertaking was a work of national importance, and it would be a hardship upon the West to make a scale of rates that would prevent the fruition of the project.

The Board was urged to base rates on cost plus an additional percentage for proper overhead or capital charges. Evidence had been submitted as to United States cost bases but the Board found that it was not possible to adopt such a practice; that the business would in future be divided amongst three lines with a varying degree of cost and a lessened advantage to the older line whose revenues, during the period under review, had been augmented by the handling of materials, supplies and men for the building of the two other lines.

CLASS RATE CHANGES ORDERED

Five scales of maximum rates were then in effect in the West, i.e., Manitoba; Saskatchewan and Alberta; Mountain; Lake, and the Lake and rail and Interlake scales. The Manitoba scale had been reduced 15 per cent from the former general scale that applied from Lake Superior to the Rockies and the Saskatchewan and Alberta scale had been reduced 7½ per cent. The Mountain scale was related to the former general scale east of the Rockies on the basis of two miles therein equalling one mile in the Mountain area. The "Lake" scale applying to vessel operations on the Arrow and other western lakes was virtually the east of Rockies general scale. The "Lake and rail and interlake" scale was considerably higher but somewhat lower than the Mountain scale.

The Board reduced the five scales to three, namely:- Prairie; Pacific; and B.C. Lakes. The Prairie scale was set up on the Manitoba scale and extended from Fort William to Canmore (now also Edson on C.N.R.); despite objections of the railways as to lower density traffic in Saskatchewan and Alberta. The Board's views were that operating conditions did not justify different levels of rates. The Pacific scale was ordered upon the basis of $1\frac{1}{2}$ miles of Prairie equalling one mile of Pacific territory. The actual rate scale, as ordered, appears to have limited the effect of the $1\frac{1}{2}$ mile basis to a distance of 750 miles (the approximate maximum haul within Pacific territory) and for distances in excess of 750 miles approximately the same rate differences in mileage blocks of the Prairie scale were applied. The addition over the Prairie basis was to compensate for the added cost of operation in Mountain territory. The Pacific scale, in addition to applying within such territory, was also ordered to apply on inter-territorial traffic between Pacific and Prairie territory. The B.C. Lakes scale was set at the Prairie level.

Distributing or "Town Tariff" rates were uniformly ordered to be published at 85 per cent of the "Standard" tariffs of the three districts excepting that from distributing centres in British Columbia other than Vancouver and New Westminster, the first class rate under the distributing basis was the "Pacific" scale less 15 per cent of the "Prairie" scale. The reason for this was that the added charges in the Pacific scale represented only extra cost which gave no profit to the carrier - the effect being to accord the British Columbia distributing point the same amount of reduction, mileage considered, as was accorded to the Prairie distributing point.

A mileage reduction of 134 miles was accorded in setting terminal class rates for all distances over 424 miles. For distances under 424 miles town tariff rates applied. This reduction in distance applied at Winnipeg from Port Arthur and its effect was to

reduce that distance from 424 miles to 290 constructive miles; beyond Winnipeg the mileages used to arrive at the rates were based on the Winnipeg constructive distance plus the additional actual mileage from Winnipeg to the destination. From the Lakehead to Canmore the Prairie scale of rates applied less the 134 constructive miles, and to points beyond Canmore the rates west of Canmore were scaled to the ratio of the Pacific scale. From the Pacific Termini the same ratio of reduction as from Fort William was to apply.

The question of standardizing the class rate percentages so that the scale for each class would be uniform in Western and Eastern Canada was not ruled upon by the Board. In view of the fact that in the West the 4th class rate is 50 per cent of first class, whereas in the East the 5th class is 50 per cent of first, standardization based on the eastern principle would have made heavy increases in all classes lower than first in the West. The railways had been expected to work out some plan of standardization following the judgment of the Board in the International Rates Case and the Town tariff case, but this expectation failed of realization and the Board declined to deal with it here.

COMMODITY RATE CHANGES

Action was taken upon a number of specific commodity rates, a few of the most important of which are discussed hereunder.

Substantial reductions were ordered in the local mileage rates on grain and grain products and two former scales, one in Manitoba and the other in Saskatchewan and Alberta were placed on one common level. The reductions from the former Manitoba scale ranged from 1 cent to 20½ cents per 100 pounds, over a distance of 1500 miles, and the range of reductions from the second scale was from 1½ cents to 27½ cents. Previously rates to Fort William were lower than to intermediate points and the railways were ordered to

observe the Fort William rates as maxima, thereby according to the "local" movement no higher rate than for the "export" movement from the western territory. The Board stated that the new rates were lower than those charged for similar services in the adjoining United States.

Local and interchange rates on grain and grain products in "Pacific" territory were also reduced. The former specific commodity rates and a mileage scale were combined into a revised mileage scale proportioned to that ordered for the Prairies. The result was a general reduction to all points excepting Vancouver, where the Board recognized that special competitive conditions might cause the Canadian Pacific to continue lower rates than to intermediate points.

The Board ruled that the carrying of grain to Vancouver for export at lower rates than for domestic consumption did not constitute unjust discrimination provided that the local rate was a reasonable one and declined to make any change. Similarly an attempt to compare the export rate to Vancouver with the eastbound rate to Fort William was denied on the grounds that Fort William was merely an intermediate transfer point in the route to the Atlantic.

Building and paving materials in general carried lower rates in the West than in the East. The Board merely ordered that the Prairie territory be treated uniformly.

> "It should be noted that the rates on firewood, fence posts and building and paving materials, which are in the main as low as, and in some cases lower than, those in Eastern Canada, would seem to be instances in which the general policy of the railway company as to low rates on settlers' necessaries has been followed."

Town tariff rates were ordered to be applied on dairy and packing-house products in Prairie territory - mixed carloads to be based on each commodity charged its respective carload rate. This resulted in substantial reductions according to the mileage.

From Prairie territory to British Columbia lower rates than those ordered were already effective and no further change was ordered.

Substantial reductions were made in coal rates. In this connection the Board stated that:

> "Coal is one of the most important of all the commodities in a country such as the Canadian Northwest. Some of the present rates on coal in the western provinces are out of all proportion and would seem to be entirely too high. The rates there appear to be in conflict with the companies' avowed policy of low rates for settlers' necessities. The companies object to reductions in these rates, as indeed they do to all other rates; but the present tariffs - those from Estevan and Bienfait, for example - show that some of the rates are entirely out of scale....and merely having regard to the character of the product, the tariffs, and practice with respect to low-grade commodities (coal in particular), which are necessarily given special consideration by all carriers and rate-regulating commissions, and are not overlooked in this Judgment, I am of the opinion that these western coal rates should be reduced to a basis as low as can be consistently directed."

The Board directed equality of treatment to all shipping points, and where joint hauls were involved it directed that the additional charge therefor must not exceed 20 cents per ton over the single line scale for the through mileage.

A general request was made for commodity rates on manufactured articles and their raw materials in Western Canada. Except for pig iron from Fort William and Port Arthur to Winnipeg, which was ordered reduced from 20 cents per 100 lbs., to $3.00 per gross ton, the Board merely stated that commodity rates should be granted as and when a proper case was made out requiring special treatment. It also pointed out that practically all of the important products of British Columbia already enjoyed commodity rates which were reasonable rates.

<u>EFFECTIVE DATE</u>:

Tariffs were directed to be effective not later than September 1, 1914.

SCHEDULE 25 - COMPARATIVE STATEMENT OF "TOWN TARIFF" AND "DISTRIBUTING" CLASS RATES FOR REPRESENTATIVE DISTANCES IN VARIOUS TERRITORIES IN CANADA AS IN EFFECT 1898 TO MARCH 15, 1938

The boundaries of the territories named in this Schedule are as follows:-

Maritimes - Diamond, Levis, Megantic, Que., and east thereof.
Quebec-Ontario (Central) - Diamond, Levis, Riviere a Pierre, Harvey, Megantic, Que., and south and west thereof to North Bay, Sudbury, Sarnia and Windsor, Ont., also west of Sudbury to Sault Ste. Marie, Ont., (C.P.Rly.)
Prairies - The Province of Ontario west of Fort William, also the Provinces of Manitoba, Saskatchewan and Alberta as far west as Edson and Canmore, Alta., and Crow's Nest, B.C.
Pacific - Edson, Canmore, Alta., Crow's Nest, B.C., and west thereof.

NOTE:- Prior to September 1, 1914, Town Tariff rates applicable between stations in Pacific Territory were published, but due to the method adopted of publishing inflated distances, also the lack of uniformity in such rates, it has not been possible to show rates applicable for specified distances. Any rates published did reflect the "Mountain Differential" as follows:-

Between Vancouver and Yale, actual mileage; between Yale and Revelstoke, $1\frac{1}{2}$ miles for 1 actual and between Revelstoke and Canmore, 2 miles for 1 actual.

For a Distance of 50 miles

Territory	Effective Date	Class Rates in Cents per 100 lbs. 1	2	3	4	5	6	7	8	10
		First Uniform "Town Tariff" Scales								
Maritimes	Mar. 1, 1898	18	16	14	11	9	8	7	8	6
Que.-Ont. (Central)	Sept. 2, 1891	20	18	15	13	10	9	7	8	6
		Maritime Scale Increased July 17, 1905								
Maritimes	July 17, 1905	18	16	14	11	9	8	7	8	6
Que.-Ont. (Central)	Sept. 2, 1891	20	18	15	13	10	9	7	8	6

SCHEDULE 25 (Continued)

For a Distance of 50 miles

Territory	Effective Date	Class Rates in Cents per 100 lbs. 1	2	3	4	5	6	7	8	10
"Town Tariff" Rates Published Prairies November 25, 1907										
Maritimes	July 17, 1905	18	16	14	11	9	8	7	8	6
Que.-Ont. (Central)	Sept. 2, 1891	20	18	15	13	10	9	7	8	6
Prairies (Manitoba)	Nov. 25, 1907	25	20	17	13	12	10	8	-	6
(Saskatchewan-Alberta)	Nov. 25, 1907	27	22	19	14	13	11	9	-	7
(To British Columbia)	Nov. 25, 1907	30	25	20	15	14	12	10	-	8
Pacific		See Note on Page 1 of this Schedule.								
Schedule "A" Established Quebec-Ontario (Central) January 1, 1908										
Maritimes	July 17, 1905	18	16	14	11	9	8	7	8	6
Que.-Ont. (Central)	Jan. 1, 1908	20	18	15	13	10	9	7	8	6
Prairies (Manitoba)	Nov. 25, 1907	25	20	17	13	12	10	8	-	6
(Saskatchewan-Alberta)	Nov. 25, 1907	27	22	19	14	13	11	9	-	7
(To British Columbia)	Nov. 25, 1907	30	25	20	15	14	12	10	-	8
Pacific		See Note on Page 1 of this Schedule.								
Schedule "A" Adopted in Maritimes May 28, 1913										
Maritimes	May 28, 1913	20	18	15	13	10	9	7	8	6
Que.-Ont. (Central)	Jan. 1, 1908	20	18	15	13	10	9	7	8	6
Prairies (Manitoba)	Nov. 25, 1907	25	20	17	13	12	10	8	-	6
(Saskatchewan-Alberta)	Nov. 25, 1907	27	22	19	14	13	11	9	-	7
(To British Columbia)	Nov. 25, 1907	30	25	20	15	14	12	10	-	8
Pacific		See Note on Page 1 of this Schedule.								
Western Rates Case Distributing Rates September 1, 1914										
Maritimes	May 28, 1913	20	18	15	13	10	9	7	8	6
Que.-Ont. (Central)	Jan. 1, 1908	20	18	15	13	10	9	7	8	6
Prairies	Sept. 1, 1914	26	22	18	14	13	11	9	-	7
Pacific	Sept. 1, 1914	33	28	22	17	15	14	11	-	9

For a Distance of 50 miles

Territory	Effective Date	Class Rates in Cents per 100 lbs. 1	2	3	4	5	6	7	8	10
	Eastern Rates Case Increase December 1, 1916									
Maritimes	Dec. 1, 1916	22	19	17	14	11	10	8	9	7
Que.-Ont. (Central)	Dec. 1, 1916	22	19	17	14	11	10	8	9	7
Prairies	Sept. 1, 1914	26	22	18	14	13	11	9	-	7
Pacific	Sept. 1, 1914	33	28	22	17	15	14	11	-	9
	Scales Following Completion of Horizontal Increases all Territories March 15, 1918, August 12, 1918, September 13, 1920, and Reductions January 1, 1921 and December 1, 1921									
Maritimes	Dec. 1, 1921	40	34½	30½	25	19½	18	14½	16½	12½
Que.-Ont. (Central)	Dec. 1, 1921	40	34½	30½	25	19½	18	14½	16½	12½
Prairies	Dec. 1, 1921	39	33	27	21	20	17	14	-	11
Pacific	Dec. 1, 1921	50	42	33	26	23	21	17	-	14
	Pacific Scale Reduced and Schedule "A" Scale Extended August 1, 1922									
Maritimes	Aug. 1, 1922	40	34½	30½	25	19½	18	14½	16½	12½
Que.-Ont. (Central)	Aug. 1, 1922	40	34½	30½	25	19½	18	14½	16½	12½
Prairies	Dec. 1, 1921	39	33	27	21	20	17	14	-	11
Pacific	Aug. 1, 1922	45	38	30	23	21	18	15	-	12
	Maritime Scale Reduced 20% in Compliance Maritime Freight Rates Act, July 1, 1927. (Currently in effect.)									
Maritimes	July 1, 1927	32	28	24	20	16	15	12	13	11
Que.-Ont. (Central)	Aug. 1, 1922	40	34½	30½	25	19½	18	14½	16½	12½
Prairies	Dec. 1, 1921	39	33	27	21	20	17	14	-	11
Pacific	Aug. 1, 1922	45	38	30	23	21	18	15	-	12

SCHEDULE 25 (Continued)

For a Distance of 100 miles

Territory	Effective Date	Class Rates in Cents per 100 lbs. 1	2	3	4	5	6	7	8	10
	First Uniform "Town Tariff" Scales									
Maritimes	Mar. 1, 1898	26	23	20	16	13	12	10	11	8
Que.-Ont. (Central)	Sept. 2, 1891	30	26	23	19	15	14	12	12	10
	Maritime Scale Increased July 17, 1905									
Maritimes	July 17, 1905	28	25	21	18	14	13	11	12	9
Que.-Ont. (Central)	Sept. 2, 1891	30	26	23	19	15	14	12	12	10
	"Town Tariff" Rates Published Prairies November 25, 1907									
Maritimes	July 17, 1905	28	25	21	18	14	13	11	12	9
Que.-Ont. (Central)	Sept. 2, 1891	30	26	23	19	15	14	12	12	10
Prairies (Manitoba)	Nov. 25, 1907	38	31	25	19	18	16	12	-	10
(Saskatchewan-Alberta)	Nov. 25, 1907	42	35	28	21	20	17	13	-	11
(To British Columbia)	Nov. 25, 1907	46	38	31	23	21	18	14	-	12
Pacific		See Note on Page 1 of this Schedule.								
	Schedule "A" Established Quebec-Ontario (Central) January 1, 1908									
Maritimes	July 17, 1905	28	25	21	18	14	13	11	12	9
Que.-Ont. (Central)	Jan. 1, 1908	30	26	23	19	15	14	12	12	10
Prairies (Manitoba)	Nov. 25, 1907	38	31	25	19	18	16	12	-	10
(Saskatchewan-Alberta)	Nov. 25, 1907	42	35	28	21	20	17	13	-	11
(To British Columbia)	Nov. 25, 1907	46	38	31	23	21	18	14	-	12
Pacific		See Note on Page 1 of this Schedule.								
	Schedule "A" Adopted in Maritimes May 28, 1913									
Maritimes	May 28, 1913	30	26	23	19	15	14	12	12	10
Que.-Ont. (Central)	Jan. 1, 1908	30	26	23	19	15	14	12	12	10
Prairies (Manitoba)	Nov. 25, 1907	38	31	25	19	18	16	12	-	10
(Saskatchewan-Alberta)	Nov. 25, 1907	42	35	28	21	20	17	13	-	11
(To British Columbia)	Nov. 25, 1907	46	38	31	23	21	18	14	-	12
Pacific		See Note on Page 1 of this Schedule.								

For a Distance of 100 miles

Territory	Effective Date	1	2	3	4	5	6	7	8	10
		Class Rates in Cents per 100 lbs.								
Western Rates Case Distributing Rates September 1, 1914										
Maritimes	May 28, 1913	30	26	23	19	15	14	12	12	10
Que.-Ont. (Central)	Jan. 1, 1908	30	26	23	19	15	14	12	12	10
Prairies	Sept. 1, 1914	40	33	26	20	19	16	13	-	10
Pacific	Sept. 1, 1914	54	45	36	26	24	20	15	-	13
Eastern Rates Case Increase December 1, 1916										
Maritimes	Dec. 1, 1916	30	26	23	19	15	14	12	12	10
Que.-Ont. (Central)	Dec. 1, 1916	30	26	23	19	15	14	12	12	10
Prairies	Sept. 1, 1914	40	33	26	20	19	16	13	-	10
Pacific	Sept. 1, 1914	54	45	36	26	24	20	15	-	13
Scales Following Completion of Horizontal Increases all Territories March 15, 1918, August 12, 1918, September 13, 1920, and Reductions January 1, 1921 and December 1, 1921										
Maritimes	Dec. 1, 1921	54	47	41½	34½	27½	25	22	22	18
Que.-Ont. (Central)	Dec. 1, 1921	54	47	41½	34½	27½	25	22	22	18
Prairies	Dec. 1, 1921	60	50	39	30	29	24	20	-	15
Pacific	Dec. 1, 1921	81	68	54	39	36	30	23	-	20
Pacific Scale Reduced and Schedule "A" Scale Extended August 1, 1922										
Maritimes	Aug. 1, 1922	54	47	41½	34½	27½	25	22	22	18
Que.-Ont. (Central)	Aug. 1, 1922	54	47	41½	34½	27½	25	22	22	18
Prairies	Dec. 1, 1921	60	50	39	30	29	24	20	-	15
Pacific	Aug. 1, 1922	72	62	48	38	33	27	21	-	18
Maritime Scale Reduced 20% in Compliance Maritime Freight Rates Act, July 1, 1927. (Currently in effect.)										
Maritimes	July 1, 1927	44	38	33	28	22	21	17	18	14
Que.-Ont. (Central)	Aug. 1, 1922	54	47	41½	34½	27½	25	22	22	18
Prairies	Dec. 1, 1921	60	50	39	30	29	24	20	-	15
Pacific	Aug. 1, 1922	72	62	48	38	33	27	21	-	18

For a Distance of 200 miles

Territory	Effective Date	Class Rates in Cents per 100 lbs. 1	2	3	4	5	6	7	8	10
	First Uniform "Town Tariff" Scales									
Maritimes	Mar. 1, 1898	34	30	26	21	17	15	13	14	11
Que.-Ont. (Central)	Sept. 2, 1891	40	35	30	25	20	18	16	16	14
	Maritime Scale Increased July 17, 1905									
Maritimes	July 17, 1905	36	32	27	23	18	16	14	15	12
Que.-Ont. (Central)	Sept. 2, 1891	40	35	30	25	20	18	16	16	14
	"Town Tariff" Rates Published Prairies November 25, 1907									
Maritimes	July 17, 1905	36	32	27	23	18	16	14	15	12
Que.-Ont. (Central)	Sept. 2, 1891	40	35	30	25	20	18	16	16	14
Prairies (Manitoba)	Nov. 25, 1907	56	46	37	28	25	20	16	-	14
(Saskatchewan-Alberta)	Nov. 25, 1907	61	51	41	31	28	22	18	-	15
(To British Columbia)	Nov. 25, 1907	68	57	45	34	31	25	19	-	16
Pacific		See Note on Page 1 of this Schedule.								
	Schedule "A" Established Quebec-Ontario (Central) January 1, 1908									
Maritimes	July 17, 1905	36	32	27	23	18	16	14	15	12
Que.-Ont. (Central)	Jan. 1, 1908	36	32	27	23	18	16	14	15	12
Prairies (Manitoba)	Nov. 25, 1907	56	46	37	28	25	20	16	-	14
(Saskatchewan-Alberta)	Nov. 25, 1907	61	51	41	31	28	22	18	-	15
(To British Columbia)	Nov. 25, 1907	68	57	45	34	31	25	19	-	16
Pacific		See Note on Page 1 of this Schedule.								
	Schedule "A" Adopted in Maritimes May 28, 1913									
Maritimes	May 28, 1913	36	32	27	23	18	16	14	15	12
Que.-Ont. (Central)	Jan. 1, 1908	36	32	27	23	18	16	14	15	12
Prairies (Manitoba)	Nov. 25, 1907	56	46	37	28	25	20	16	-	14
(Saskatchewan-Alberta)	Nov. 25, 1907	61	51	41	31	28	22	18	-	15
(To British Columbia)	Nov. 25, 1907	68	57	45	34	31	25	19	-	16
Pacific		See Note on Page 1 of this Schedule.								

For a Distance of 200 miles

Territory	Effective Date	Class Rates in Cents per 100 lbs. 1	2	3	4	5	6	7	8	10
	Western Rates Case Distributing Rates September 1, 1914									
Maritimes	May 28, 1913	36	32	27	23	18	16	14	15	12
Que.-Ont. (Central)	Jan. 1, 1908	36	32	27	23	18	16	14	15	12
Prairies	Sept. 1, 1914	59	49	39	30	26	21	16	-	14
Pacific	Sept. 1, 1914	77	64	51	38	34	28	21	-	17
	Eastern Rates Increase December 1, 1916 (Eastern Rates Case)									
Maritimes	Dec. 1, 1916	38	33	29	24	19	17	15	15	13
Que.-Ont. (Central)	Dec. 1, 1916	38	33	29	24	19	17	15	15	13
Prairies	Sept. 1, 1914	59	49	39	30	26	21	16	-	14
Pacific	Sept. 1, 1914	77	64	51	38	34	28	21	-	17
	Scales Following Completion of Horizontal Increases all Territories March 15, 1918, August 12, 1918, September 13, 1920, and Reductions January 1, 1921 and December 1, 1921									
Maritimes	Dec. 1, 1921	68	59½	52½	43	34½	30½	27½	27½	24
Que.-Ont. (Central)	Dec. 1, 1921	68	59½	52½	43	34½	30½	27½	27½	24
Prairies	Dec. 1, 1921	89	74	59	45	39	32	24	-	21
Pacific	Dec. 1, 1921	119	98	78	59	53	44	32	-	26
	Pacific Scale Reduced and Schedule "A" Scale Extended August 1, 1922									
Maritimes	Aug. 1, 1922	68	59½	52½	43	34½	30½	27½	27½	24
Que.-Ont. (Central)	Aug. 1, 1922	68	59½	52½	43	34½	30½	27½	27½	24
Prairies	Dec. 1, 1921	89	74	59	45	39	32	24	-	21
Pacific	Aug. 1, 1922	107	89	71	53	48	40	30	-	24
	Maritime Scale Reduced 20% in Compliance Maritime Freight Rates Act, July 1, 1927. (Currently in effect.)									
Maritimes	July 1, 1927	54	47	41	34	27	25	21	22	18
Que.-Ont. (Central)	Aug. 1, 1922	68	59½	52½	43	34½	30½	27½	27½	24
Prairies	Dec. 1, 1921	89	74	59	45	39	32	24	-	21
Pacific	Aug. 1, 1922	107	89	71	53	48	40	30	-	24

For a Distance of 400 miles

Territory	Effective Date	1	2	3	4	5	6	7	8	10
		Class Rates in Cents per 100 lbs.								
First Uniform "Town Tariff" Scales										
Maritimes	Mar. 1, 1898	42	34	32	26	21	19	16	17	14
Que.-Ont. (Central)	Sept. 2, 1891	60	53	45	38	30	28	21	22	20
Maritime Scale Increased July 17, 1905										
Maritimes	July 17, 1905	44	39	33	28	22	20	17	18	15
Que.-Ont. (Central)	Sept. 2, 1891	60	53	45	38	30	28	21	22	20
"Town Tariff" Rates Published Prairies November 25, 1907										
Maritimes	July 17, 1905	44	39	33	28	22	20	17	18	15
Que.-Ont. (Central)	Sept. 2, 1891	60	53	45	38	30	28	21	22	20
Prairies (Manitoba)	Nov. 25, 1907	85	71	56	43	38	32	24	-	19
(Saskatchewan-Alberta)	Nov. 25, 1907	96	80	64	48	43	37	26	-	21
(To British Columbia)	Nov. 25, 1907	105	88	70	53	48	40	28	-	23
Pacific		See Note on Page 1 of this Schedule.								
Schedule "A" Established Quebec-Ontario (Central) January 1, 1908										
Maritimes	July 17, 1905	44	39	33	28	22	20	17	18	15
Que.-Ont. (Central)	Jan. 1, 1908	50	44	38	31	25	23	19	20	17
Prairies (Manitoba)	Nov. 25, 1907	85	71	56	43	38	32	24	-	19
(Saskatchewan-Alberta)	Nov. 25, 1907	96	80	64	48	43	37	26	-	21
(To British Columbia)	Nov. 25, 1907	105	88	70	53	48	40	28	-	23
Pacific		See Note on Page 1 of this Schedule.								
Schedule "A" Adopted in Maritimes May 28, 1913										
Maritimes	May 28, 1913	50	44	38	31	25	23	19	20	17
Que.-Ont. (Central)	Jan. 1, 1908	50	44	38	31	25	23	19	20	17
Prairies (Manitoba)	Nov. 25, 1907	85	71	56	43	38	32	24	-	19
(Saskatchewan-Alberta)	Nov. 25, 1907	96	80	64	48	43	37	26	-	21
(To British Columbia)	Nov. 25, 1907	105	88	70	53	48	40	28	-	23
Pacific		See Note on Page 1 of this Schedule.								

For a Distance of 400 Miles

Territory	Effective Date	Class Rates in Cents per 100 lbs. 1	2	3	4	5	6	7	8	10
	Western Rates Case Distributing Rates September 1, 1914									
Maritimes	May 28, 1913	50	44	38	31	25	23	19	20	17
Que.-Ont. (Central)	Jan. 1, 1908	50	44	38	31	25	23	19	20	17
Prairies	Sept. 1, 1914	89	75	60	45	40	34	25	-	20
Pacific	Sept. 1, 1914	123	102	81	62	56	47	35	-	27
	Eastern Rates Case Increase December 1, 1916									
Maritimes	Dec. 1, 1916	52	46	39	33	26	24	20	20	18
Que.-Ont. (Central)	Dec. 1, 1916	52	46	39	33	26	24	20	20	18
Prairies	Sept. 1, 1914	89	75	60	45	40	34	25	-	20
Pacific	Sept. 1, 1914	123	102	81	62	56	47	35	-	27
	Scales Following Completion of Horizontal Increases all Territories March 15, 1918, August 12, 1918, September 13, 1920, and Reductions January 1, 1921 and December 1, 1921									
Maritimes	Dec. 1, 1921	94	83	70½	59½	47	43	36½	36½	32
Que.-Ont. (Central)	Dec. 1, 1921	94	83	70½	59½	47	43	36½	36½	32
Prairies	Dec. 1, 1921	134	113	90	68	60	51	38	-	30
Pacific	Dec. 1, 1921	186	155	124	93	85	71	50	-	42
	Pacific Scale Reduced and Schedule "A" Scale Extended August 1, 1922									
Maritimes	Aug. 1, 1922	94	83	70½	59½	47	43	36½	36½	32
Que.-Ont. (Central)	Aug. 1, 1922	94	83	70½	59½	47	43	36½	36½	32
Prairies	Dec. 1, 1921	134	113	90	68	60	51	38	-	30
Pacific	Aug. 1, 1922	158	132	105	80	72	60	42	-	35
	Maritime Scale Reduced 20% in Compliance Maritime Freight Rates Act, July 1, 1927. (Currently in effect.)									
Maritimes	July 1, 1927	76	66	57	48	38	36	29	29	26
Que.-Ont. (Central)	Aug. 1, 1922	94	83	70½	59½	47	43	36½	36½	32
Prairies	Dec. 1, 1921	134	113	90	68	60	51	38	-	30
Pacific	Aug. 1, 1922	158	132	105	80	72	60	42	-	35

For a Distance of 700 miles

Territory	Effective Date	Class Rates in Cents per 100 lbs. 1	2	3	4	5	6	7	8	10
First Uniform "Town Tariff" Scales										
Maritimes	Mar. 1, 1898	50	45	38	33	25	23	20	21	18
Que.-Ont. (Central)	Sept. 2, 1891	Scale did not extend beyond 400 miles.								
Maritime Scale Increased July 17, 1905										
Maritimes	July 17, 1905	52	46	39	33	26	24	20	20	18
Que.-Ont. (Central)	Sept. 2, 1891	Scale did not extend beyond 400 miles.								
"Town Tariff" Rates Published Prairies November 25, 1907										
Maritimes	July 17, 1905	52	46	39	33	26	24	20	20	18
Que.-Ont. (Central)	Sept. 2, 1891	Scale did not extend beyond 400 miles.								
Prairies (Manitoba)	Nov. 25, 1907	126	105	84	63	57	48	33	-	28
(Saskatchewan-Alberta)	Nov. 25, 1907	142	118	94	70	63	54	38	-	32
(To British Columbia)	Nov. 25, 1907	154	129	102	77	68	59	41	-	34
Pacific		See Note on Page 1 of this Schedule.								
Schedule "A" Established Quebec-Ontario (Central) January 1, 1908										
Maritimes	July 17, 1905	52	46	39	33	26	24	20	20	18
Que.-Ont. (Central)	Jan. 1, 1908	Scale did not extend beyond 560 miles.								
Prairies (Manitoba)	Nov. 25, 1907	126	105	84	63	57	48	33	-	28
(Saskatchewan-Alberta)	Nov. 25, 1907	142	118	94	70	63	54	38	-	32
(To British Columbia)	Nov. 25, 1907	154	129	102	77	68	59	41	-	34
Pacific		See Note on Page 1 of this Schedule.								
Schedule "A" Adopted in Maritimes May 28, 1913										
Maritimes	May 28, 1913	Scale did not extend beyond 560 miles.								
Que.-Ont. (Central)	Jan. 1, 1908	Scale did not extend beyond 560 miles.								
Prairies (Manitoba)	Nov. 25, 1907	126	105	84	63	57	48	33	-	28
(Saskatchewan-Alberta)	Nov. 25, 1907	142	118	94	70	63	54	38	-	32
(To British Columbia)	Nov. 25, 1907	154	129	102	77	68	59	41	-	34
Pacific		See Note on Page 1 of this Schedule.								

For a Distance of 700 miles

Territory	Effective Date	1	2	3	4	5	6	7	8	10
		Class Rates in Cents per 100 lbs.								
Western Rates Case Distributing Rates September 1, 1914										
Maritimes	May 28, 1913	Scale did not extend beyond 560 miles.								
Que.-Ont. (Central)	Jan. 1, 1902	Scale did not extend beyond 560 miles.								
Prairies	Sept. 1, 1914	130	109	87	65	58	50	35		29
Pacific	Sept. 1, 1914	178	148	119	88	80	69	48	-	41
Eastern Rates Case Increase December 1, 1916										
Maritimes	Dec. 1, 1916	Scale did not extend beyond 560 miles.								
Que.-Ont. (Central)	Dec. 1, 1916	Scale did not extend beyond 560 miles.								
Prairies	Sept. 1, 1914	130	109	87	65	58	50	35	-	29
Pacific	Sept. 1, 1914	178	148	119	88	80	69	48	-	41
Scales Following Completion of Horizontal Increases all Territories March 15, 1918, August 12, 1918, September 13, 1920, and Reductions January 1, 1921 and December 1, 1921										
Maritimes	Dec. 1, 1921	Scale did not extend beyond 560 miles.								
Que.-Ont. (Central)	Dec. 1, 1921	Scale did not extend beyond 560 miles.								
Prairies	Dec. 1, 1921	195	164	131	98	87	75	53	-	44
Pacific	Dec. 1, 1921	267	222	179	132	120	104	72	-	62
Pacific Scale Reduced and Schedule "A" Scale Extended August 1, 1922										
Maritimes	Aug. 1, 1922	122	108	91½	77½	61½	58	41½	43	40
Que.-Ont. (Central)	Aug. 1, 1922	122	108	91½	77½	61½	58	41½	43	40
Prairies	Dec. 1, 1921	195	164	131	98	87	75	53	-	44
Pacific	Aug. 1, 1922	230	192	153	116	104	90	62	-	53
Maritime Scale Reduced 20% in Compliance Maritime Freight Rates Act, July 1, 1927. (Currently in effect.)										
Maritimes	July 1, 1927	96	84	72	60	48	46	35	34	33
Que.-Ont. (Central)	Aug. 1, 1922	122	108	91½	77½	61½	58	41½	43	40
Prairies	Dec. 1, 1921	195	164	131	98	87	75	53	-	44
Pacific	Aug. 1, 1922	230	192	153	116	104	90	62	-	53

For a Distance of 1,000 miles

Territory	Effective Date	Class Rates in Cents per 100 lbs. 1	2	3	4	5	6	7	8	10
First Uniform "Town Tariff" Scales										
Maritimes	Mar. 1, 1898	No Rates for distance of 1,000 miles.								
Que.-Ont. (Central)	Sept. 2, 1891	Scale did not extend beyond 400 miles.								
Maritime Scale Increased July 17, 1905										
Maritimes	July 17, 1905	No Rates for distance of 1,000 miles.								
Que.-Ont. (Central)	Sept. 2, 1891	Scale did not extend beyond 400 miles.								
"Town Tariff" Rates Published Prairies November 25, 1907										
Maritimes	July 17, 1905	No Rates for distance of 1,000 miles.								
Que.-Ont. (Central)	Sept. 2, 1891	Scale did not extend beyond 400 miles.								
Prairies (Manitoba)	Nov. 25, 1907	159	132	106	79	71	61	42	-	36
(Saskatchewan-Alberta)	Nov. 25, 1907	178	149	119	90	80	69	48	-	41
(To British Columbia)	Nov. 25, 1907	193	161	129	96	87	75	53	-	44
Pacific		See Note on Page 1 of this Schedule.								
Schedule "A" Established Quebec-Ontario (Central) January 1, 1908										
Maritimes	July 17, 1905	No Rates for distance of 1,000 miles.								
Que.-Ont. (Central)	Jan. 1, 1908	Scale did not extend beyond 560 miles.								
Prairies (Manitoba)	Nov. 25, 1907	159	132	106	79	71	61	42	-	36
(Saskatchewan-Alberta)	Nov. 25, 1907	178	149	119	90	80	69	48	-	41
(To British Columbia)	Nov. 25, 1907	193	161	129	96	87	75	53	-	44
Pacific		See Note on Page 1 of this Schedule.								
Schedule "A" Adopted in Maritimes May 28, 1913										
Maritimes	May 28, 1913	Scale did not extend beyond 560 miles.								
Que.-Ont. (Central)	Jan. 1, 1908	Scale did not extend beyond 560 miles.								
Prairies (Manitoba)	Nov. 25, 1907	159	132	106	79	71	61	42	-	36
(Saskatchewan-Alberta)	Nov. 25, 1907	178	149	119	90	80	69	48	-	41
(To British Columbia)	Nov. 25, 1907	193	161	129	96	87	75	53	-	44
Pacific		See Note on Page 1 of this Schedule.								

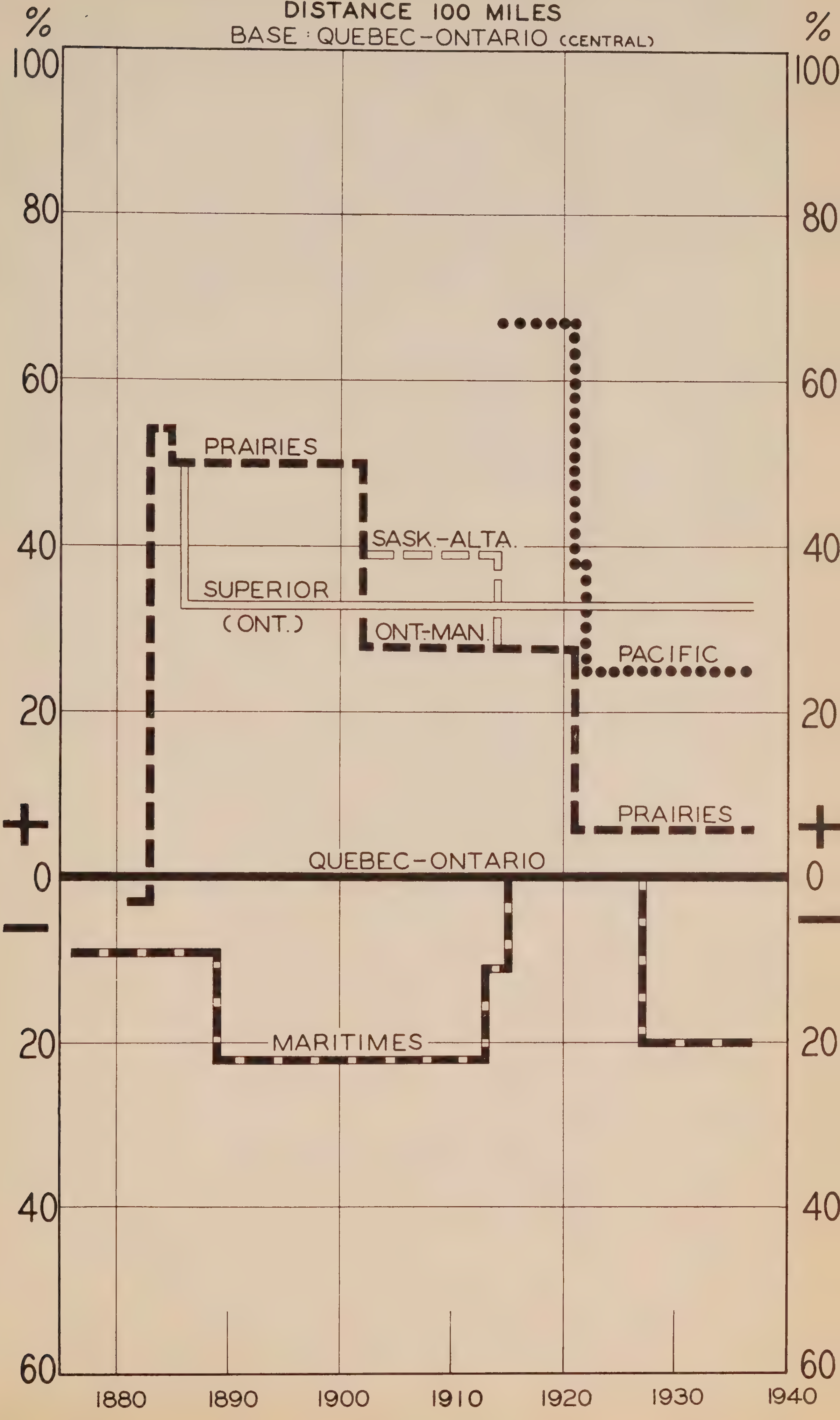
For a Distance of 1,000 miles

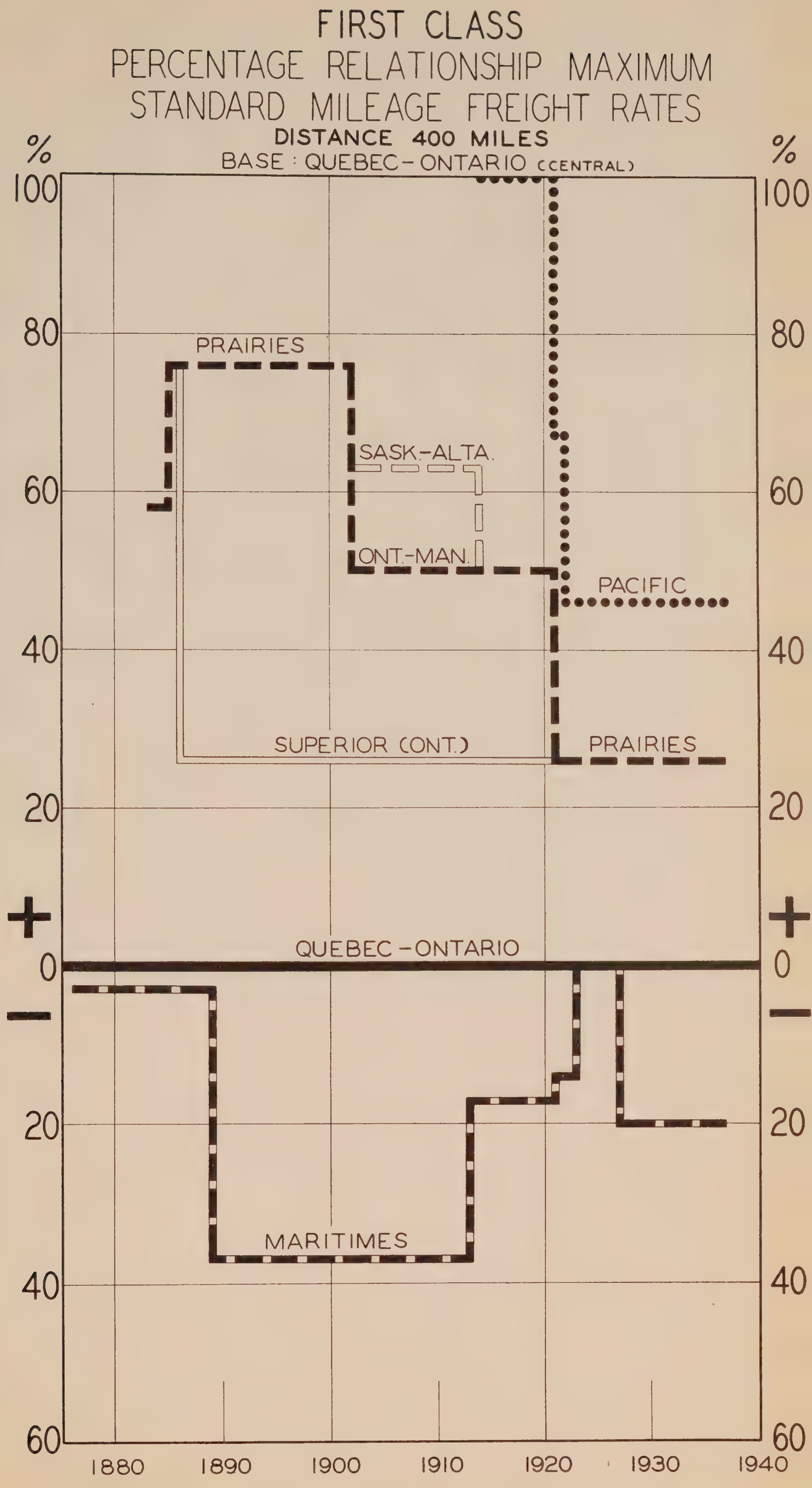
Territory	Effective Date	Class Rates in Cents per 100 lbs. 1	2	3	4	5	6	7	8	10
Western Rates Case Distributing Rates September 1, 1914										
Maritimes	May 28, 1913	Scale did not extend beyond 560 miles.								
Que.-Ont. (Central)	Jan. 1, 1908	Scale did not extend beyond 560 miles.								
Prairies	Sept. 1, 1914	164	137	110	82	74	64	44	-	37
Pacific	Sept. 1, 1914	212	178	142	106	95	86	60	-	49
Eastern Rates Case Increase December 1, 1916										
Maritimes	Dec. 1, 1916	Scale did not extend beyond 560 miles.								
Que.-Ont. (Central)	Dec. 1, 1916	Scale did not extend beyond 560 miles.								
Prairies	Sept. 1, 1914	164	137	110	82	74	64	44	-	37
Pacific	Sept. 1, 1914	212	178	142	106	95	86	60	-	49
Scales Following Completion of Horizontal Increases all Territories March 15, 1918, August 12, 1918, September 13, 1920, and Reductions January 1, 1921 and December 1, 1921										
Maritimes	Dec. 1, 1921	Scale did not extend beyond 560 miles.								
Que.-Ont. (Central)	Dec. 1, 1921	Scale did not extend beyond 560 miles.								
Prairies	Dec. 1, 1921	246	206	165	123	111	96	66	-	56
Pacific	Dec. 1, 1921	318	267	213	159	143	129	90	-	74
Pacific Scale Reduced and Schedule "A" Scale Extended August 1, 1922										
Maritimes	Aug. 1, 1922	Scale not required beyond 700 miles.								
Que.-Ont. (Central)	Aug. 1, 1922	147½	130	112	91½	74	70½	52½	54	50
Prairies	Dec. 1, 1921	246	206	165	123	111	96	66	-	56
Pacific	Aug. 1, 1922	282	234	188	141	126	111	78	-	65
Maritime Scale Reduced 20% in Compliance Maritime Freight Rates Act, July 1, 1927. (Currently in effect.)										
Maritimes	July 1, 1927	Scale not required beyond 700 miles.								
Que.-Ont. (Central)	Aug. 1, 1922	147½	130	112	91½	74	70½	52½	54	50
Prairies	Dec. 1, 1921	246	206	165	123	111	96	66	-	56
Pacific	Aug. 1, 1922	282	234	188	141	126	111	78	-	65

FIRST CLASS
PERCENTAGE RELATIONSHIP MAXIMUM STANDARD MILEAGE FREIGHT RATES

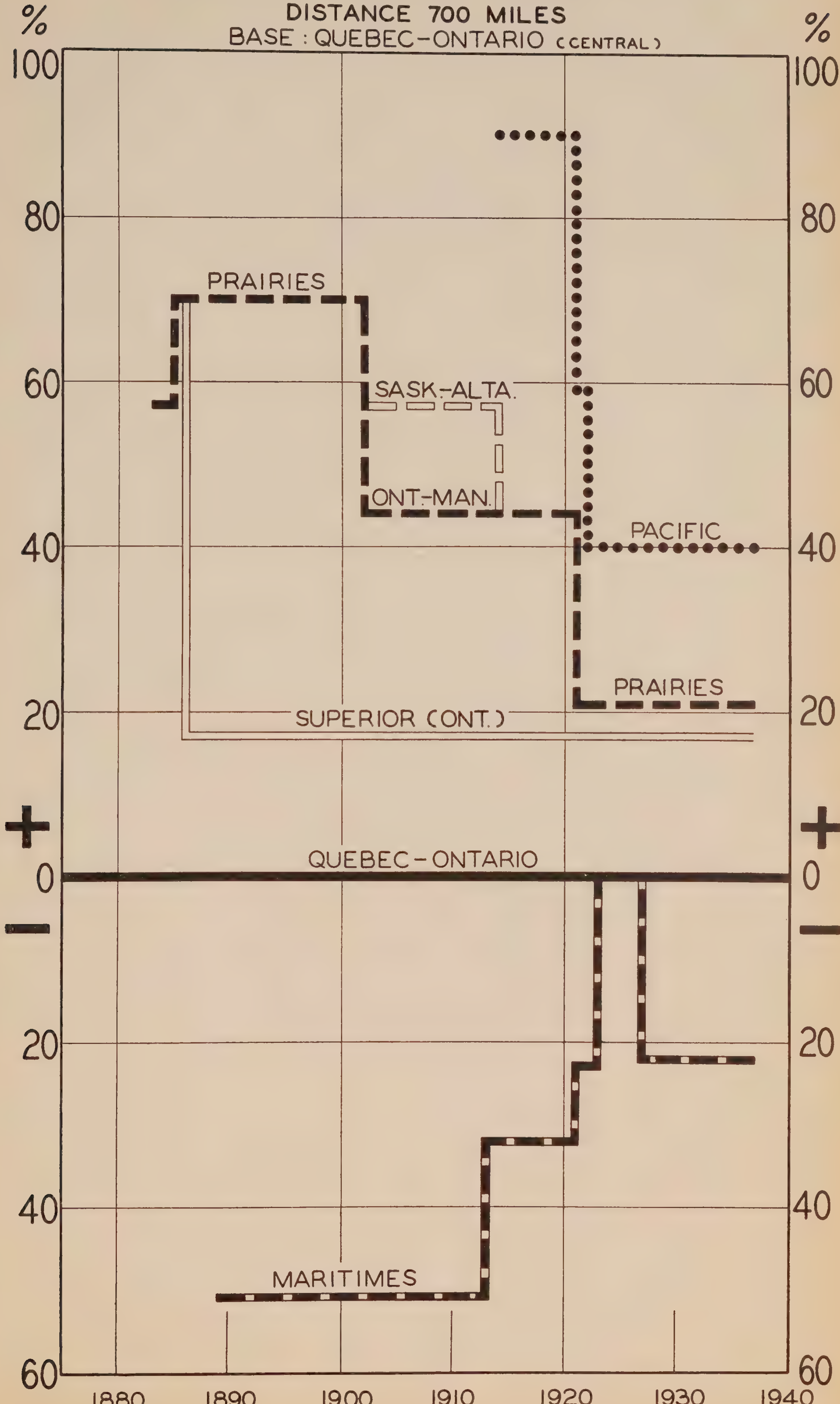
DISTANCE 100 MILES

BASE : QUEBEC-ONTARIO (CENTRAL)




FIRST CLASS
PERCENTAGE RELATIONSHIP MAXIMUM
STANDARD MILEAGE FREIGHT RATES
DISTANCE 400 MILES
BASE : QUEBEC-ONTARIO (CENTRAL)
%
100
80
60
40
20
+
0
−
20
40
60
PRAIRIES
SASK.-ALTA.
ONT.-MAN.
PACIFIC
SUPERIOR (ONT.)
PRAIRIES
QUEBEC-ONTARIO
MARITIMES
1880
1890
1900
1910
1920
1930
1940

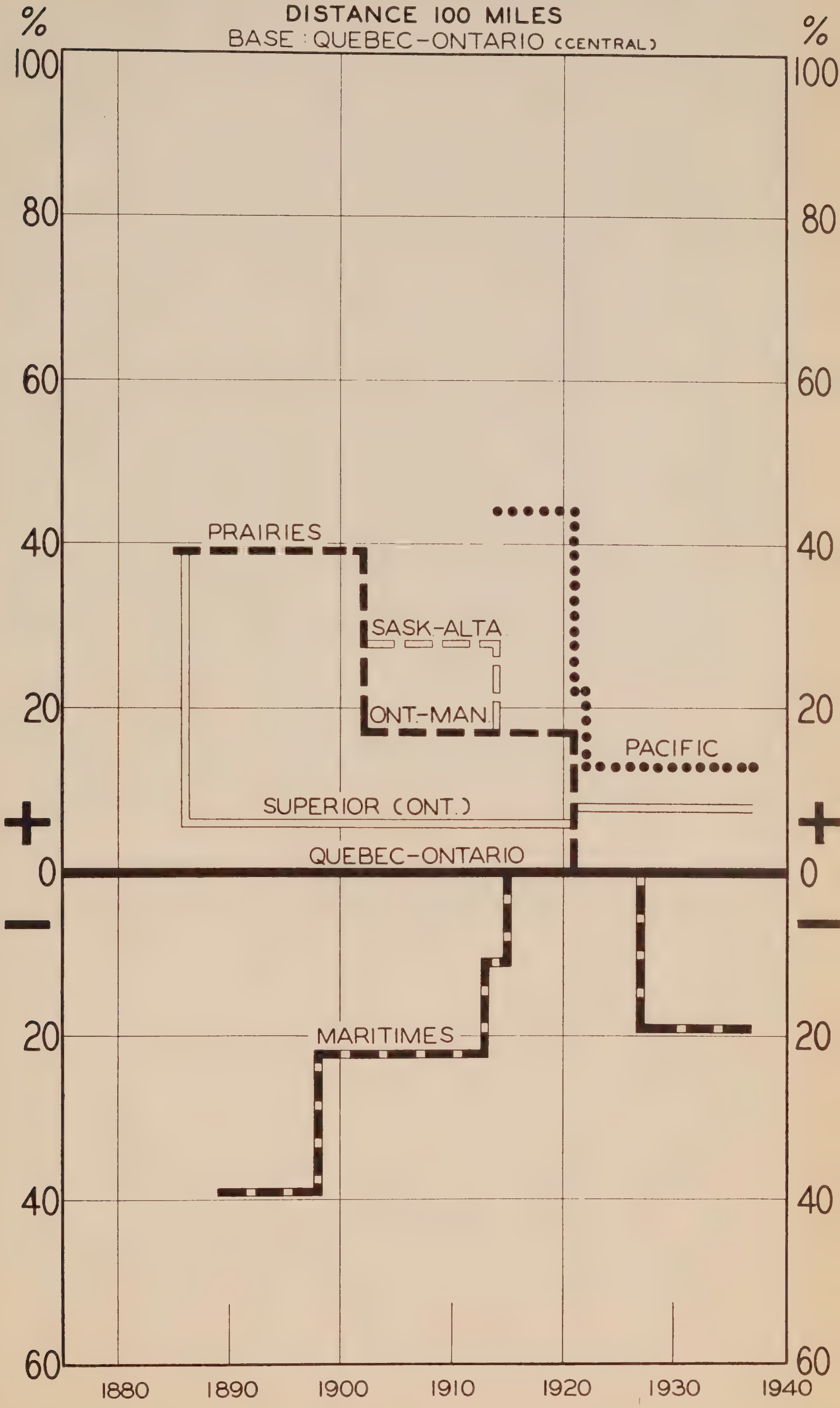
FIRST CLASS
PERCENTAGE RELATIONSHIP MAXIMUM STANDARD MILEAGE FREIGHT RATES
DISTANCE 700 MILES
BASE : QUEBEC-ONTARIO (CENTRAL)



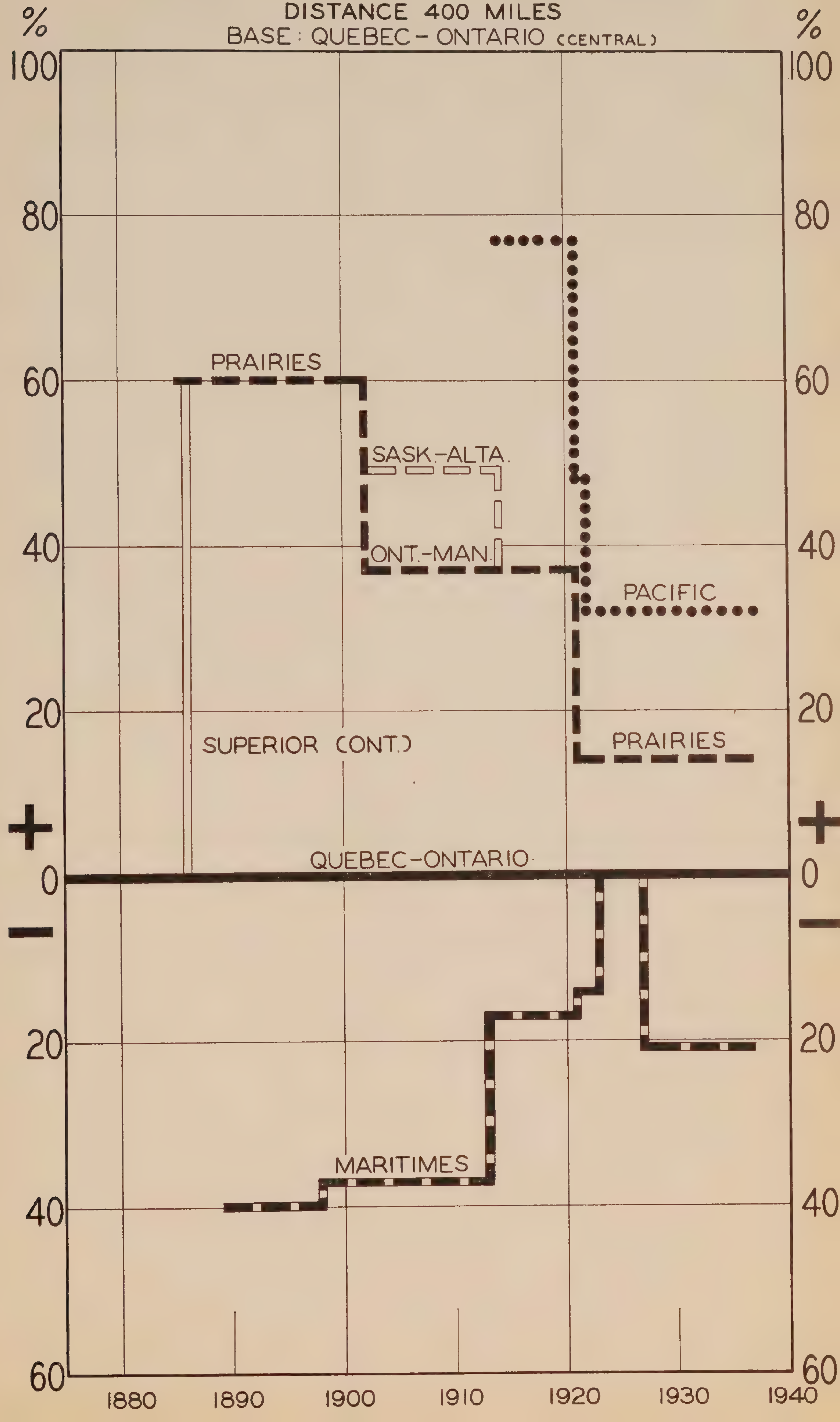
FIFTH CLASS
PERCENTAGE RELATIONSHIP MAXIMUM STANDARD MILEAGE FREIGHT RATES

DISTANCE 100 MILES

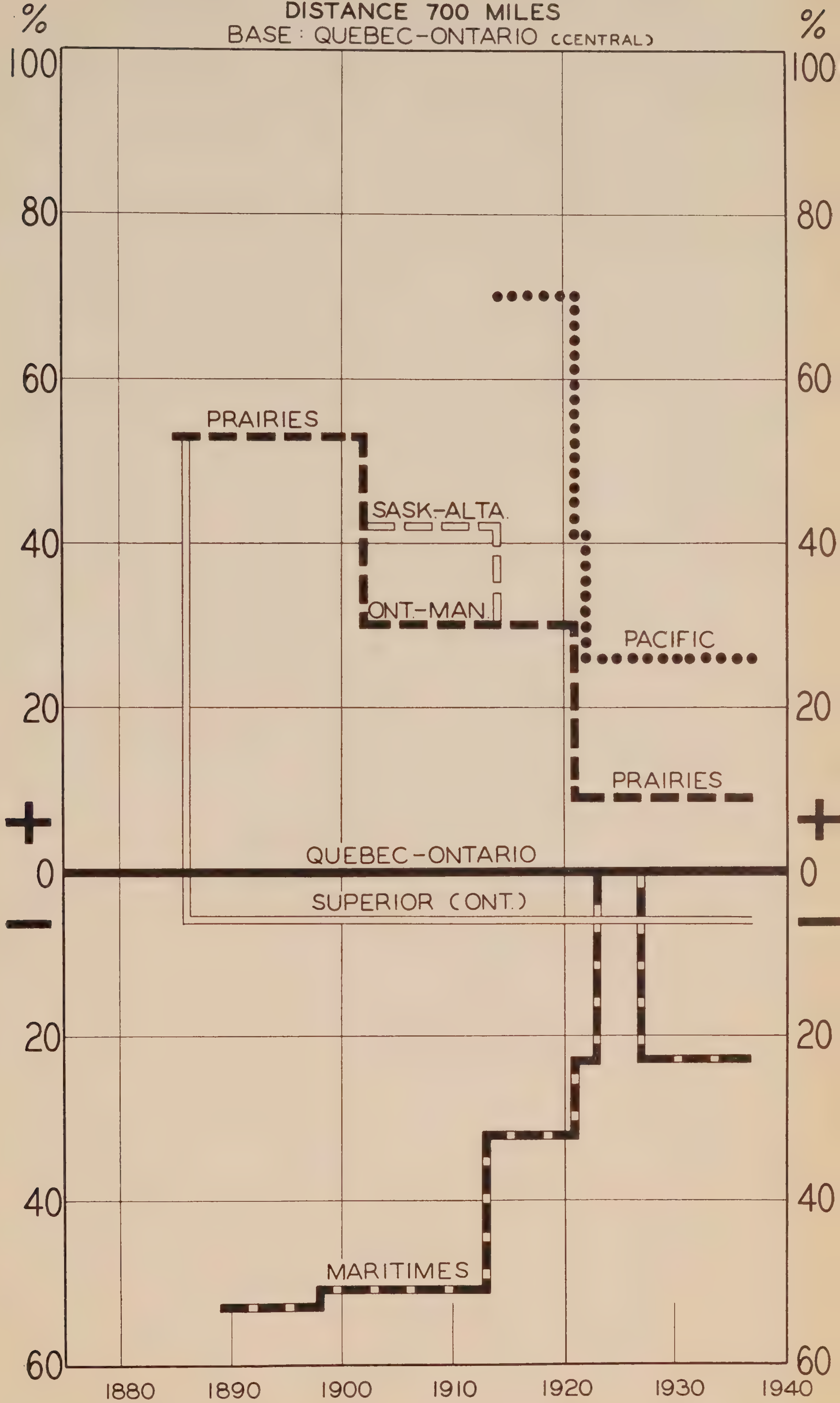
BASE : QUEBEC-ONTARIO (CENTRAL)



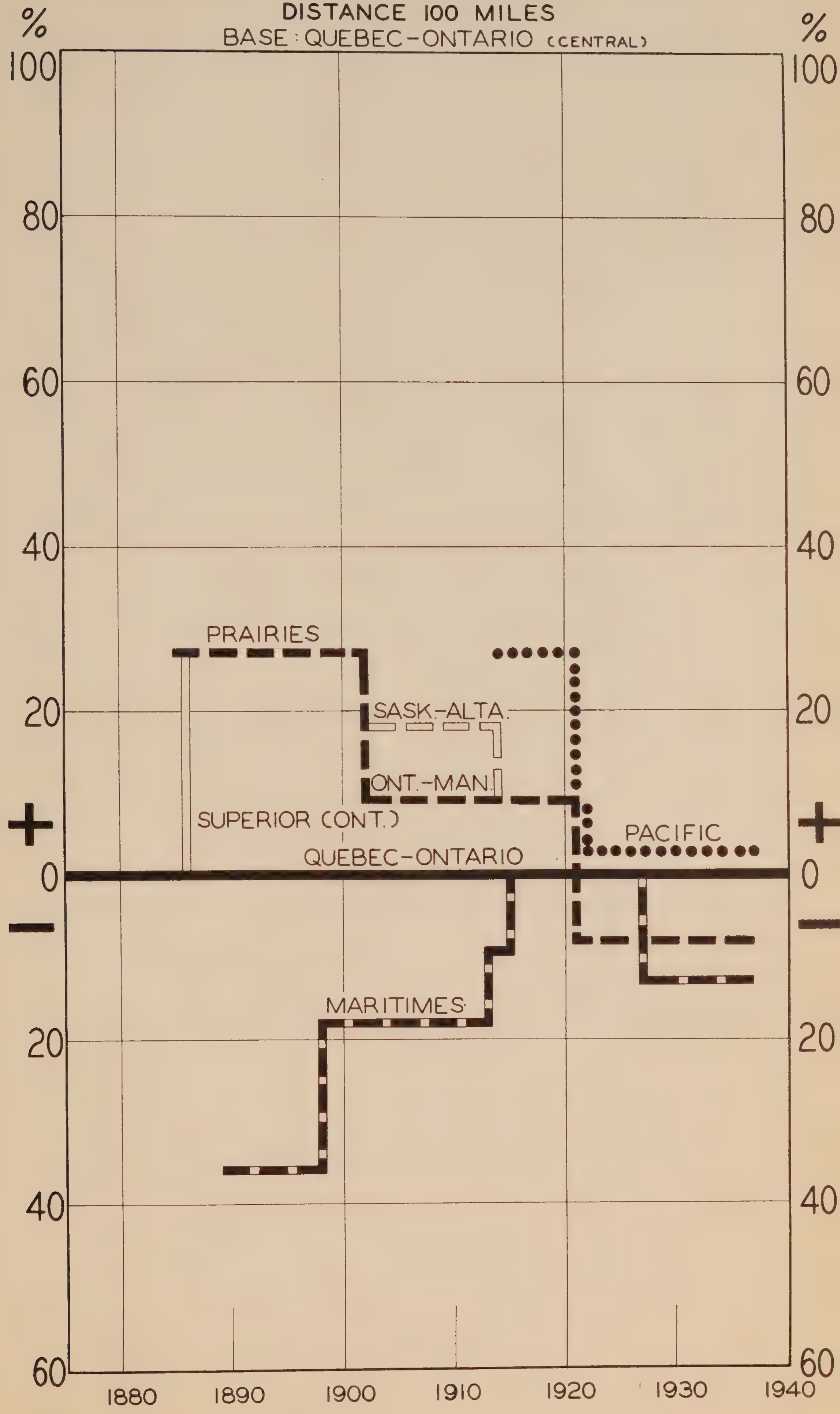
FIFTH CLASS
PERCENTAGE RELATIONSHIP MAXIMUM STANDARD MILEAGE FREIGHT RATES
DISTANCE 400 MILES
BASE: QUEBEC - ONTARIO (CENTRAL)



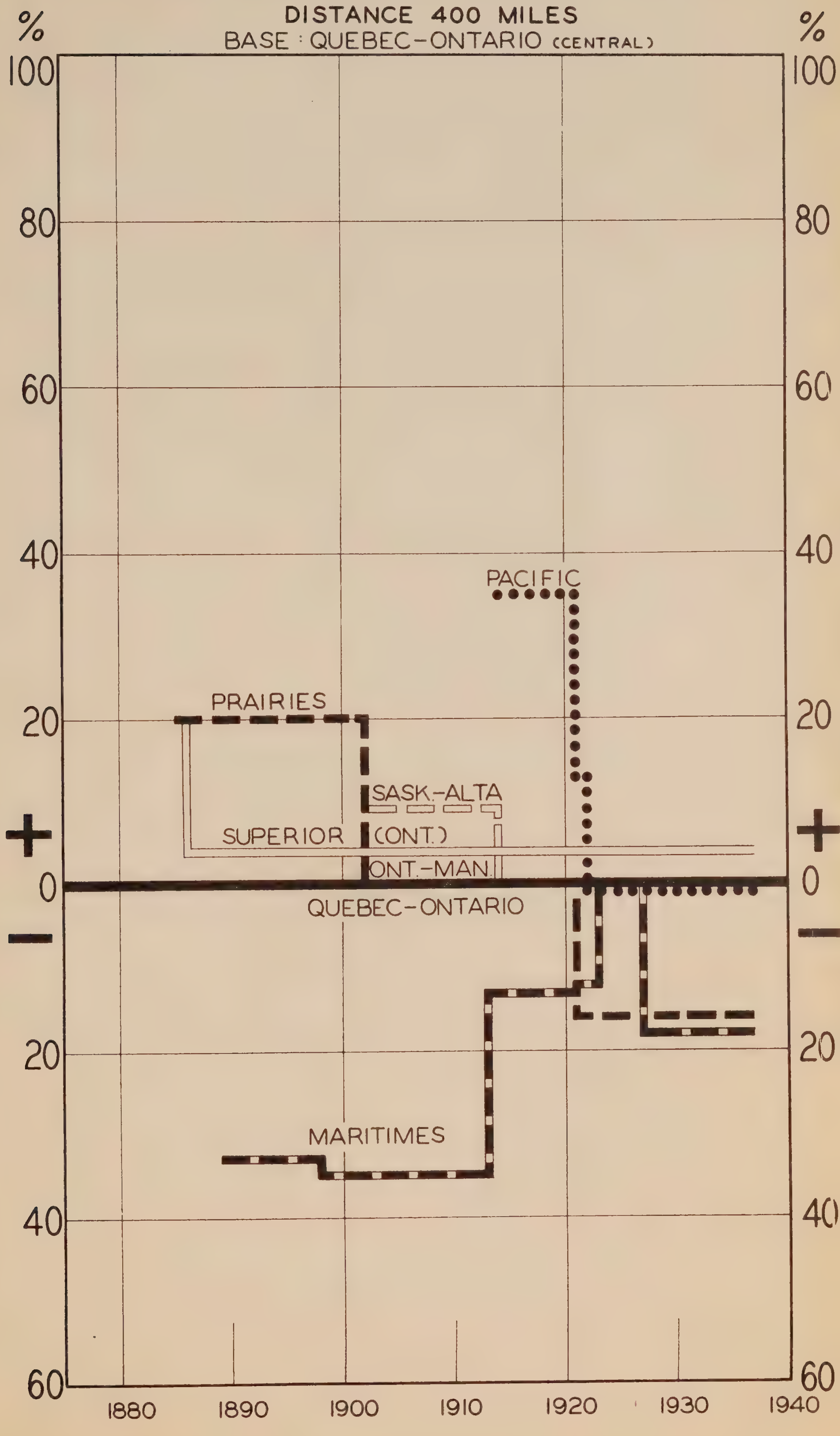
FIFTH CLASS
PERCENTAGE RELATIONSHIP MAXIMUM STANDARD MILEAGE FREIGHT RATES
DISTANCE 700 MILES
BASE: QUEBEC-ONTARIO (CENTRAL)



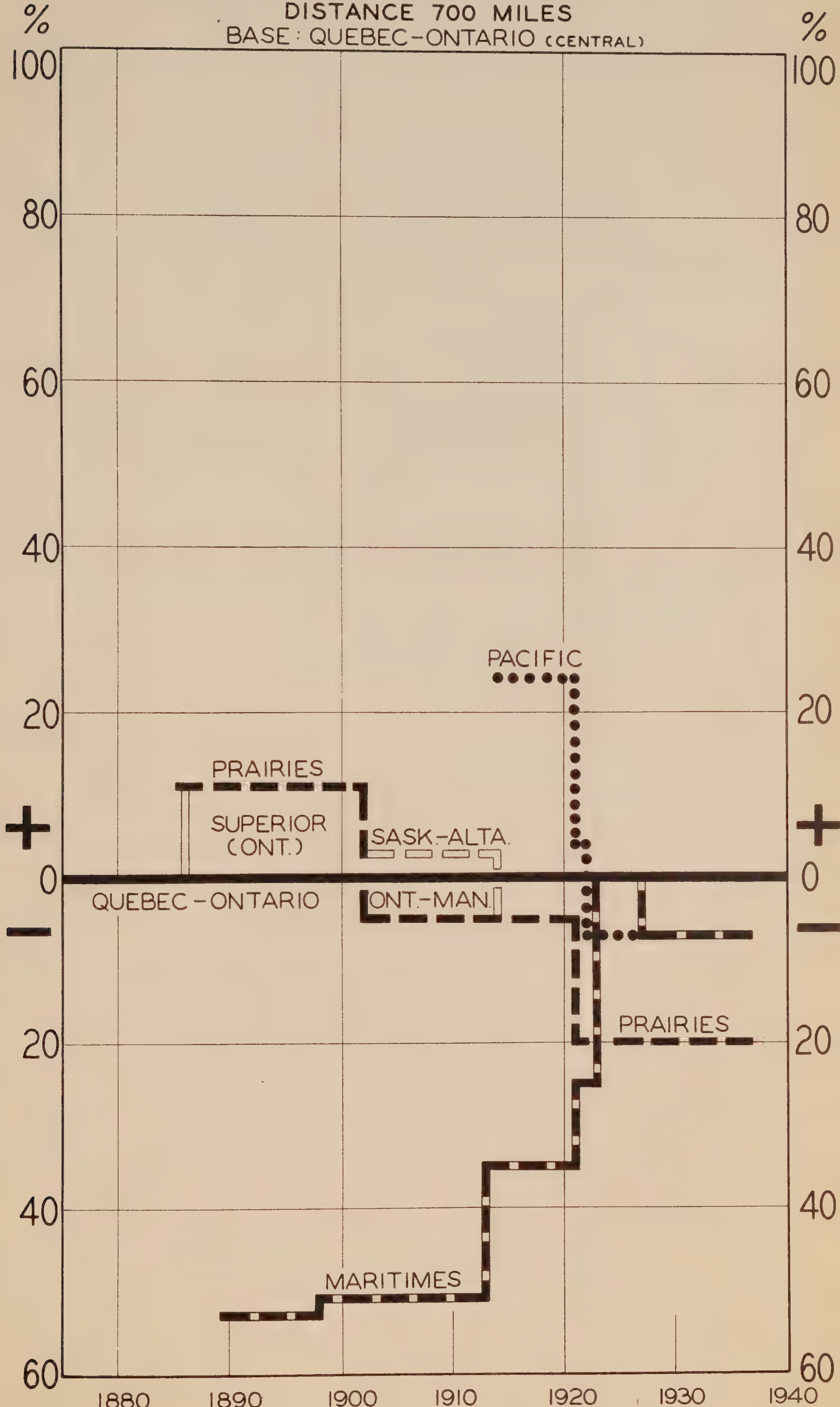
TENTH CLASS
PERCENTAGE RELATIONSHIP MAXIMUM
STANDARD MILEAGE FREIGHT RATES
DISTANCE 100 MILES
BASE: QUEBEC-ONTARIO (CENTRAL)



TENTH CLASS
PERCENTAGE RELATIONSHIP MAXIMUM STANDARD MILEAGE FREIGHT RATES
DISTANCE 400 MILES
BASE : QUEBEC-ONTARIO (CENTRAL)



TENTH CLASS
PERCENTAGE RELATIONSHIP MAXIMUM
STANDARD MILEAGE FREIGHT RATES
DISTANCE 700 MILES
BASE: QUEBEC-ONTARIO (CENTRAL)

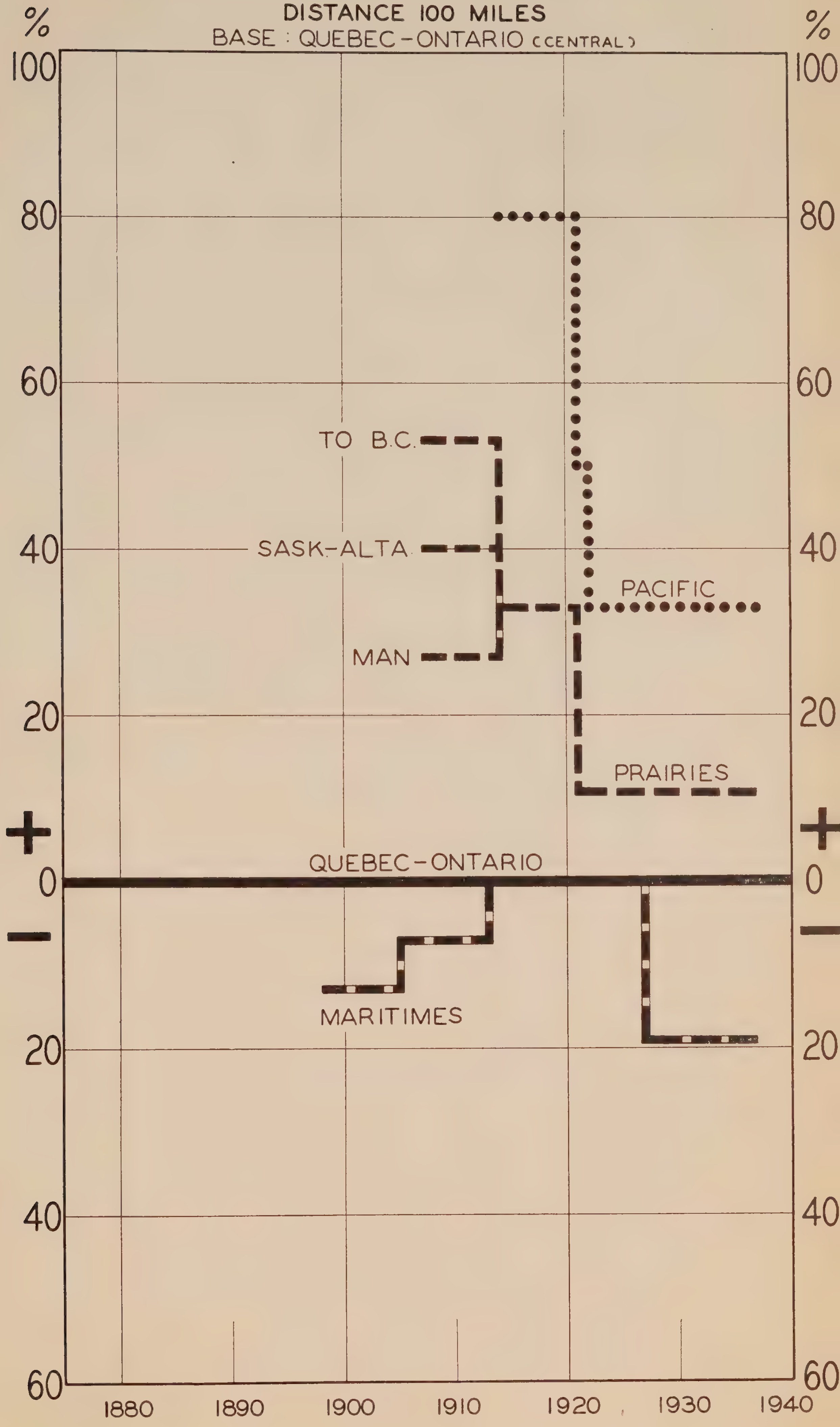


FIRST CLASS

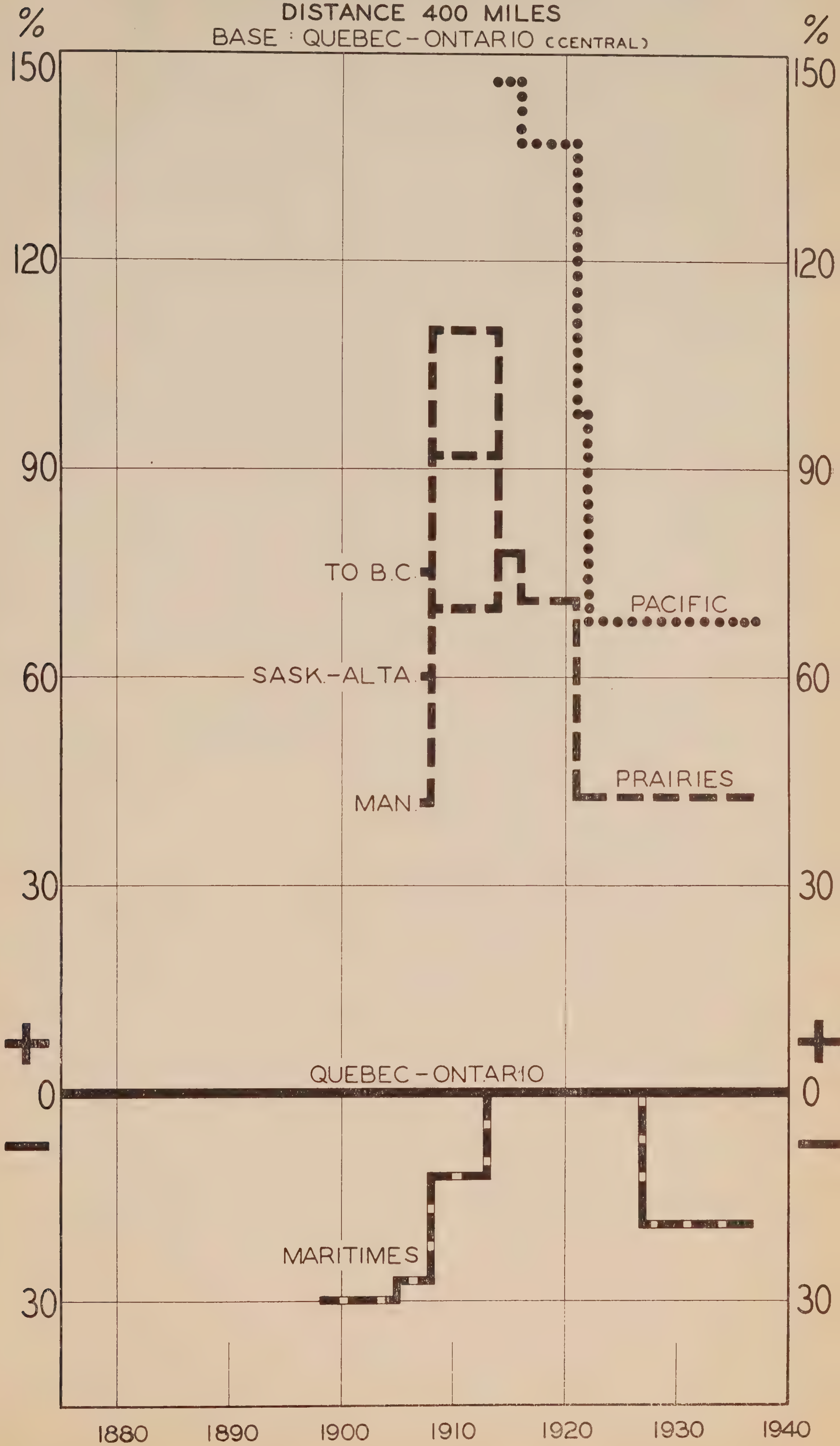
PERCENTAGE RELATIONSHIP TOWN TARIFF AND DISTRIBUTING CLASS FREIGHT RATES

DISTANCE 100 MILES

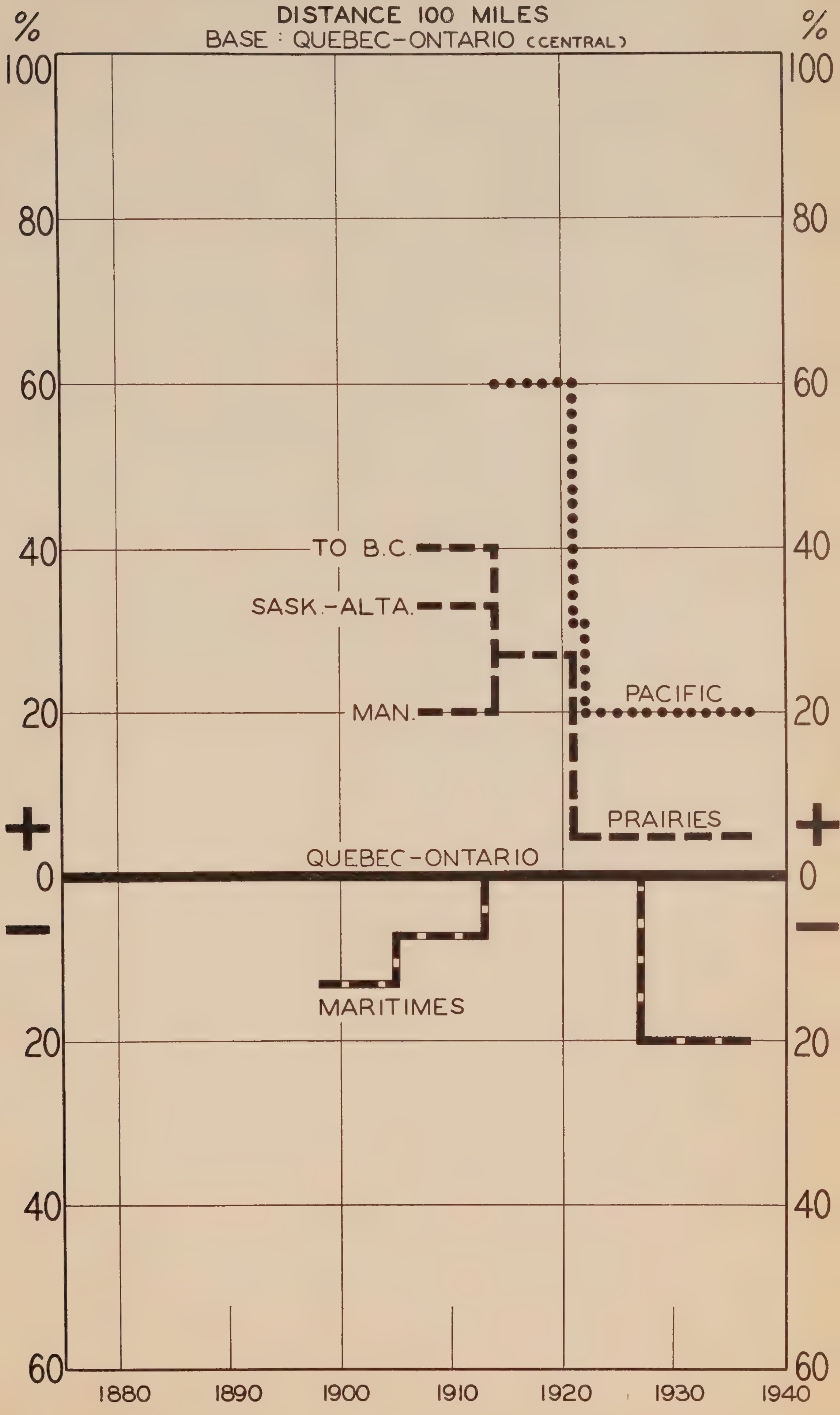
BASE : QUEBEC-ONTARIO (CENTRAL)



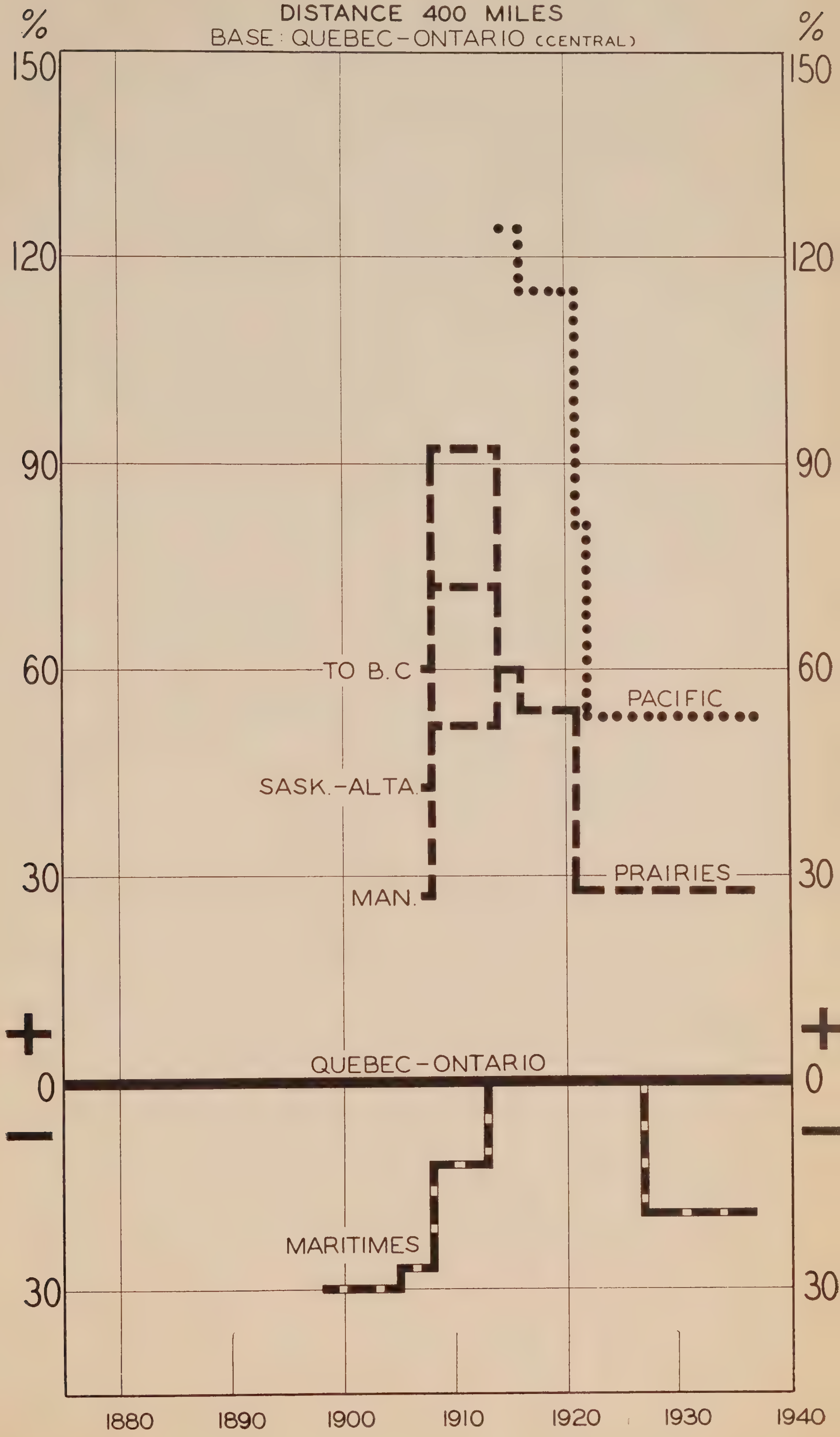
FIRST CLASS
PERCENTAGE RELATIONSHIP TOWN TARIFF
AND DISTRIBUTING CLASS FREIGHT RATES
DISTANCE 400 MILES
BASE : QUEBEC-ONTARIO (CENTRAL)



FIFTH CLASS
PERCENTAGE RELATIONSHIP TOWN TARIFF AND DISTRIBUTING CLASS FREIGHT RATES
DISTANCE 100 MILES
BASE : QUEBEC-ONTARIO (CENTRAL)



FIFTH CLASS
PERCENTAGE RELATIONSHIP TOWN TARIFF AND DISTRIBUTING CLASS FREIGHT RATES
DISTANCE 400 MILES
BASE: QUEBEC-ONTARIO (CENTRAL)

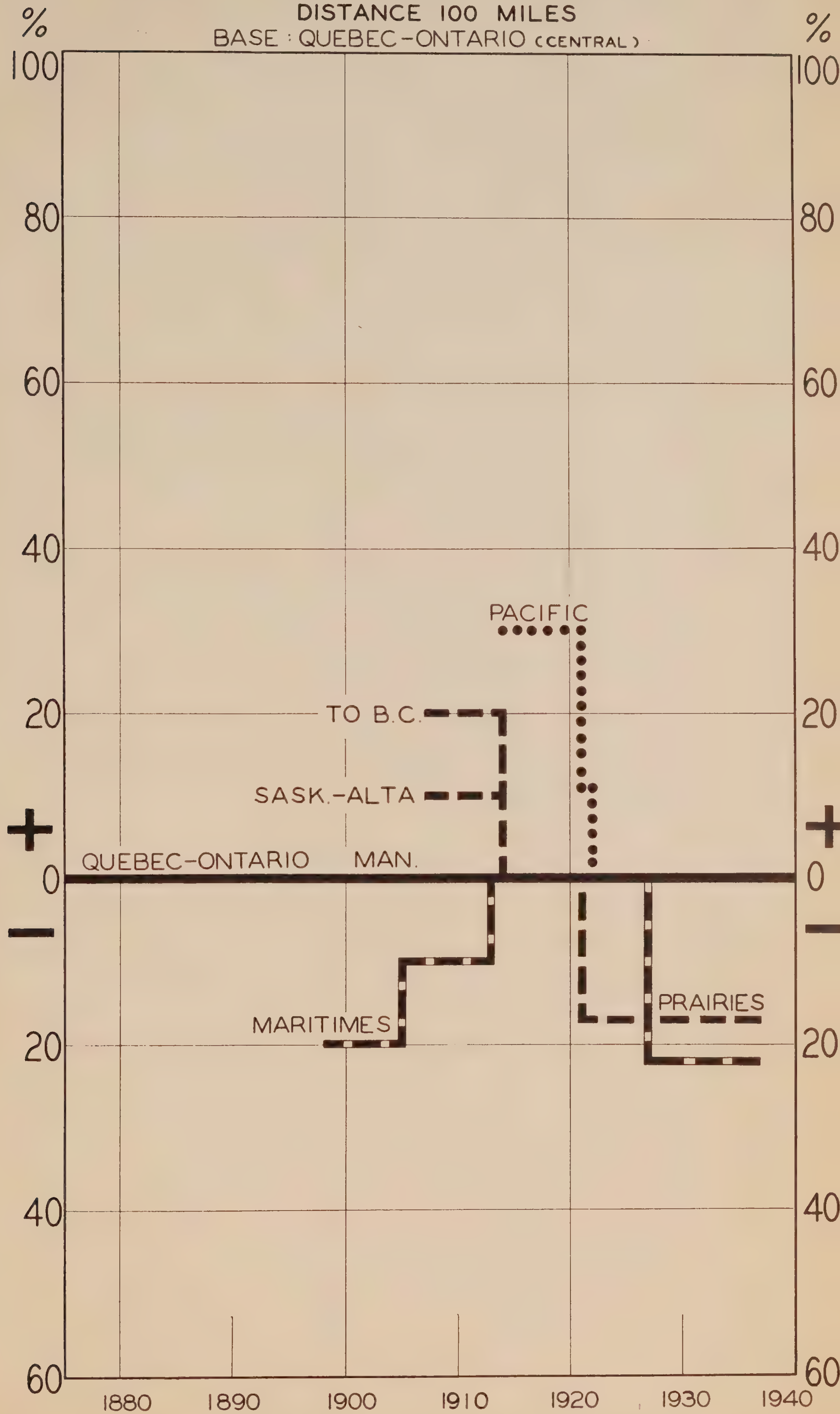


TENTH CLASS

PERCENTAGE RELATIONSHIP TOWN TARIFF AND DISTRIBUTING CLASS FREIGHT RATES

DISTANCE 100 MILES

BASE : QUEBEC-ONTARIO (CENTRAL)



TENTH CLASS
PERCENTAGE RELATIONSHIP TOWN TARIFF AND DISTRIBUTING CLASS FREIGHT RATES
DISTANCE 400 MILES
BASE: QUEBEC-ONTARIO (CENTRAL)

SCHEDULE 32 - COMPARISON OF LOCAL GRAIN MILEAGE RATES WITH MAXIMUM STANDARD AND TOWN TARIFF EIGHTH CLASS RATES (CARLOADS)

Rates in Cents per 100 lbs.

Maritime Provinces Distance in Miles	8th Class Max. Stand.	8th Class Town Tariff	Grain Mileage Scales Local	Grain Mileage Scales Milling
5	8	8	3	3
50	14	13	7	4½
100	22	18	11	7½
200	27	22	15	10½
400	36	29	19	15
700	56	34	27	20
1,000	81	-	38	-

Quebec-Ontario (Central Distance in Miles	8th Class Max. Stand.	8th Class Town Tariff	Grain Mileage Scale
5	10	10	3½
50	18	16½	5½
100	25	22	9½
200	34½	27½	13
400	45½	36½	19
700	70½	43	25
1,000	100½	54	-
Ontario (Superior) Distance in Miles			
5	10	-	5
50	14½	-	13
100	22	-	19
200	34½	-	25
400	47	-	34
700	70½	-	49½
1,000	97	-	68
Prairie Provinces Distance in Miles			
5	10	10	5
50	17	15	11
100	23	21	15
200	30	27	20
400	44	38	29
700	59	51	38½
1,000	71	62	44½
Pacific Coast Distance in Miles			
5	10	10	5½
50	18	17	12
100	26	23	17
200	35	30	23
400	48	44	32
700	66	59	42
1,000	78	69	49

SCHEDULE 33 - HISTORY OF TERMINAL GRAIN AND FLOUR RATES TO FORT WILLIAM AND PORT ARTHUR, ONTARIO

(IN CENTS PER 100 LBS.)

Present Mileage to Fort William	From	Feb. 15 1886	Sept. 16 1886	Sept. 1 1887	Oct. 1 1888	Oct. 19 1888	Dec. 4 1890	Dec. 11 1891	Sept. 5 1893	Aug. 1 1898	Sept. 1 1899	Oct. 7 1903	Mar. 15 1918	Aug. 12 1918	Sept. 13 1920	Jan. 1 1921	Dec. 1 1921	Present Rate
420	Winnipeg	28	28	24	21	21	21	21	17	15½	14	10	12	14	19	18	17	14
475	Portage La Prairie									16½	15	12	14	16	21½	21	19	15
553	Brandon	33	30	25	25	24	22	22	19	17½	16	13	15	17½	23½	23	21	16
602	Boissevain	36	31	26	25	24	22	22	20	18½	16	13	15	17½	23½	23	21	16
570	Souris									18½	17	14	16	18½	25	24	22	17
600	Virden									19½	18	15	17	19½	26½	25½	23½	18
684	Broadview	37½	32	28	28	28	28	28	21	19½	18	16	18	21½	29	28	26	18
698	Yorkton									20½	19	17	19	22½	30½	29½	27	19
776	Regina	40	33	30	30	30	30	29	23	21½	20	18	20	24	32½	31	29	20
735	Weyburn									21½	20	18	20	24	32½	31	29	19
928	Swift Current									23½	22	20	22	26	35	34	31	22
1012	Maple Creek	51½	33	32	32	32	32	30	26	24½	23	21	23	27	36½	35	32½	23
900	Saskatoon									27½	26	24	24	28	38	36½	33½	22
1075	Medicine Hat									25½	24	22	24	28	38	36½	33½	24
1177	Lethbridge									26½	25	23	25	29	39	37½	35	25
1242	Calgary	63	33	33	33	33	33	30	29	27½	26	24	26	30	40½	39	36	26
1228	Edmonton									31½	30	28	27	30	40½	39	36	26
Col.		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17

SCHEDULE 34 - CARLOAD RATES ON GRAIN TO DULUTH, MINNESOTA AND FORT WILLIAM, ONTARIO

(Rates in Cents per 100 lbs.)

TO DULUTH From		Miles	Rate	TO FORT WILLIAM From		Miles	Rate
Fargo	N.D.	252	17	Edison	Ont.	247	13½
Grand Forks	"	295	20	Kenora	"	294	13½
Grafton	"	337	21	Telford	Man.	338	14
Conway	"	349	21	Rennie	"	346	14
Hannah	"	420	23	Winnipeg	"	420	14
Rugby	"	441	24	Alcrest	"	441	15
Antler	"	522	27	Firdale	"	526	16
Killdeer	"	574	28	Souris	"	570	17
Northgate	"	580	27	Rivers	"	577	17
Beach	"	626	29	Treat	"	628	18
Yates	Mont.	632	32	Wattsview	"	632	18
Culberton	"	675	32	Broadview	Sask.	684	18
Terry	"	707	32	Cana	"	707	19
Glasgow	"	779	37	Regina	"	776	20
Billings	"	893	44	Saskatoon	"	900	22
Havre	"	932	44	Swift Current	"	928	22
Shelby	"	1037	44	Winter	"	1038	24
Helena	"	1153	47	Torlea	Alta.	1152	25
Lewistown	"	1173	44	Lethbridge	"	1177	25
Kalispell	"	1195	50	Lindbrook	"	1193	26

AUTHORITY:

Rates to Duluth - As prescribed by Interstate Commerce Commission, October 22, 1934 (205 ICC 301) and supplemental decision of March 4, 1936 (215 ICC 83) with the addition of the 5 per cent increase under Ex Parte 123, effective March 28, 1938.

Rates to Fort William - As prescribed by the Board of Railway Commissioners for Canada, General Order 420 of July 8, 1925.

NOTE.- Rates to Duluth and Fort William are applicable to either export or domestic traffic.

SCHEDULE 35 - CARLOAD RATES ON GRAIN TO SEATTLE AND VANCOUVER FOR DOMESTIC DELIVERY AND EXPORT

(Rates in Cents per 100 lbs.)

TO SEATTLE - Domestic and Export				TO VANCOUVER -			Domestic	Export
From		Miles	Rate	From		Miles	Rate	Rate
Missoula	Mont.	536	38					
Kalispell	"	627	37					
Cut Bank	"	732	40	Carvel	Alta.	733	41½	19
Shelby	"	757	41	Bissell	"	758	41½	20
Bozeman	"	764	41	Edmonton	"	765	41½	20
Helena	"	775	41	River Bend	"	774	43	20
Great Falls	"	856	41	Kinsella	"	857	46½	22
Havre	"	862	41	Innisfree	"	860	45	22
Judith Gap	"	865	41	Jarrow	"	863	46½	22
Livingston	"	897	41	Greenshields	"	893	46½	22
Lewiston	"	905	41	Edgerton	"	907	47½	22
Laurel	"	998	43	Cavell	Sask.	999	49	23
Billings	"	1012	45	Oyen	Alta.	1012	50	24
Forsythe	"	1014	48	Oyen	"	1012	50	24
Glasgow	"	1014	47	Oyen	"	1012	50	24
Terry	"	1098	55	Duro	Sask.	1097	51½	24
Culbertson	"	1118	48	Allan	"	1117	51½	25
Yates	"	1274	60	Melville	"	1276	55	28

AUTHORITY:

Rates to Seattle - Prescribed by Interstate Commerce Commission, Oct. 22, 1934 (205 ICC 301), and supplemental decision of March 4th, 1936 (215 ICC 83), with the addition of the 5 per cent increase under Ex Parte 123, effective March 28, 1938.

Rates to Vancouver - (Domestic) Railway Tariffs.

Rates to Vancouver - (For Export) As prescribed by the Board of Railway Commissioners for Canada, September 2nd, 1925, Order No. 36769.

SCHEDULE 36 - COMPARATIVE STATEMENT OF BASES FOR RATES ON LUMBER

(CARLOADS)

Rates In Cents Per 100 Lbs.

Distance in Miles	Maritime Territory — Tenth Class: Max. Stand.	Maritime Territory — Tenth Class: Town Tariff	Maritime Territory — Lumber: Specific Mileage	Maritime Territory — Lumber: For Dressing in Transit	Quebec-Ontario (Central) Territory — Tenth Class: Max. Stand.	Quebec-Ontario (Central) Territory — Tenth Class: Town Tariff	Quebec-Ontario (Central) Territory — Lumber: Normal Mileage	Quebec-Ontario (Central) Territory — Lumber: Specific Mileage	Quebec-Ontario (Central) Territory — Lumber: Dressing in Quebec
5	6	6	5	2	7½	7½	6	6	2½
50	11	11	7½	4½	12½	12½	10½	9½	5½
100	17	14	11	5	19½	18	15½	13½	6½
200	23	18	13	7	29	24	18	16½	9
400	34	26	16½	10½	41½	32	26½	20½	13
700	52	33	22½	14	66½	40	39½	28	17½
1000	76	-	28	20	95½	50	48	35½	25

Distance in Miles	Ontario (Superior) Territory — Tenth Class: Max. Stand.	Ontario (Superior) Territory — Tenth Class: Town Tariff	Ontario (Superior) Territory — Lumber: Normal Mileage	Ontario (Superior) Territory — Lumber: Specific Mileage	Prairie Territory — Tenth Class: Max. Stand.	Prairie Territory — Tenth Class: Town Tariff	Prairie Territory — Lumber: Normal Mileage	Prairie Territory — Lumber: Specific Mileage: Man. Sask.	Prairie Territory — Lumber: Specific Mileage: Alta.
5	7½	-	6		7½	7½	5	5	5
50	12½	-	10½		12	9	10	10	10
100	19½	-	15½	Not	18	15	16½	16½	15
200	29	-	18	on	24	21	21½	21½	21
400	43	-	26½	Mileage	35	30	-	32½	28½
700	66½	-	39½	basis	53	44	-	44	39½
1000	91½	-	48		68	56	-	55	-

Distance in Miles	Pacific Territory — Tenth Class: Max. Stand.	Pacific Territory — Tenth Class: Town Tariff	Pacific Territory — Lumber: Normal Mileage	Pacific Territory — Lumber: Specific Mileage
5	7½	7½	4½	
50	14	12	14	Specific
100	20	18	19½	Rates
200	26	24	26	not
400	41	35	40½	on
700	62	53	55	Mileage.
1000	78	65	64	

SCHEDULE 37 - RATES ON CEMENT, CARLOADS

(In Cents per 100 Pounds)

MARITIME PROVINCES

Distance in Miles	As in effect August 1, 1922 Cement Rate	August 1, 1922 10th Class Town Tariff	April 16, 1926 Cement Rate	April 16, 1926 10th Class Town Tariff	July 1, 1927 Cement Rate	July 1, 1927 10th Class Town Tariff
100	12	18	13½	18	11	14
200	14½	24	16½	24	13	18
300	17	29	19	29	15	23
400	20	32	-	-	17½	26

QUEBEC-ONTARIO (CENTRAL)

Distance in Miles	10th Class	Mileage Scales			Specific Rates			10th Class Town Tariff	
	Jan. 1, 1884	Nov. 1, 1888	Apr. 1, 1900	Jan. 1, 1904	Oct. 1, 1912	Aug. 1, 1922	Apr. 16, 1926	Jan. 1, 1908	Dec. 1, 1921
100	11	8	9	9	9	13	13½	10	18
200	16	9½	11	11	10½	17	16½	12	24
300	20	12½	14	14	13½	19	19	15	29
400	23	15	17	17	14½	21	22	17	32

PRAIRIE PROVINCES

Distance in Miles	Prairie 10th Class distributing Rates effective Sept. 1, 1914	Prairie 10th Class distributing Rates effective Aug. 1, 1922	Specific Cement Rates Aug. 1, 1922
100	10	15	14
200	14	21	19½
300	17	26	24
400	20	30	29½

SCHEDULE 38 - RATES ON BITUMINOUS COAL, IN CARLOADS

(In Cents per Ton of 2,000 lbs.)

TO		Distance in Miles	FROM Sydney, N.S.	FROM Montreal, Que.	FROM Bienfait, Sask.	FROM Drumheller, Alta.	FROM Coalspur, Alta. (Pacific)	10th Class Max. Stand. Rate.
Big Beach,	N.S.	50	100					220
Riceburg,	Que.	49		140				250
Elswick,	Sask.	51			120			240
Ardenode,	Alta.	51				140		240
Medicine Lodge,	Alta.	54					170	280
St. Peters Jct.,	N.S.	99	130					340
Warwick,	Que.	100		140				390
Abbott,	Sask.	98			150			360
Mirror,	Sask.	92				180		360
Brule,	Alta.	99					210	400
Lansdowne,	N.S.	200	150					460
Napanee,	Ont.	199		180				580
Craik,	Sask.	207			200			480
Netherell,	Sask.	202				230		480
Jackman,	B.C.	199					280	520
Caledonia,	N.S.	400	220					680
Stayner,	Ont.	395		270				830
Greenbush,	Sask.	395			330			700
Antar,	Sask.	400				330		700
Rayleigh,	B.C.	397					420	820
St. Eloi,	Que.	697	290					1040
-				(a)430				1330
-					(b)			1060
Deer,	Man.	700				470		1060
New Hazelton,	B.C.	673					570	1200
Kitwanga,	B.C.	701					610	1240

(a) Mileage rate account no specific for this distance.
(b) No specific for this distance and mileage scale does not extend this far.

SCHEDULE 39 - RATES ON PULPWOOD FOR MANUFACTURING CARLOADS

(In Cents per 100 lbs.)

As in Effect April 15, 1938

Distance in Miles	Tenth Class Maximum Standard	Tenth Class Town Tariff	Pulpwood for Manufacturing
MARITIME TERRITORY			
5	6	6	3
50	11	11	5
100	17	14	6½
200	23	18	8
400	34	26	11
700	52	33	16
1000	76	-	-
QUEBEC-ONTARIO (CENTRAL) TERRITORY			
5	7½	7½	3½
50	12½	12½	6
100	19½	18	8
200	29	24	10
400	41½	32	14
700	66½	40	20
1000	95½	50	25½
ONTARIO (SUPERIOR) TERRITORY			
5	7½	-	5½
50	12½	-	6
100	19½	-	8
200	29	-	10
400	43	-	14
700	66½	-	20
1000	91½	-	25½
PRAIRIE TERRITORY			
5	7½	7½	3
50	12	9	4½
100	18	15	5½
200	24	21	7½
400	35	30	10
700	53	44	14½
1000	68	56	19
PACIFIC TERRITORY			
5	7½	7½	-
50	14	12	-
100	20	18	-
200	26	24	-
400	41	35	-
700	62	53	-
1000	78	65	-

SCHEDULE 40 - COMPARISON OF RATES ON NEWSPRINT PAPER

(As prescribed by B.R.C. in 1934)

Shipping Point		RELATIONSHIP TO GRAND MERE RATES ON SHIPMENTS TO			
		New England and Trunk Line Territories		Central Freight Territory	
		Prior to Nov. 17/34	Effective Nov. 17/34	Prior to Nov. 17/34	Effective Nov. 17/34
Quebec, Grand Mere, Shawinigan Falls, Donnacona, Cap de la Madedeine, Trois Rivieres, East Angus, Bromptonville, Windsor Mills, Buckingham Jct., Gatineau, Hull West,	Que.	Grand Mere Rates.	Grand Mere Rates.	Grand Mere Rates.	Grand Mere Rates.
Ottawa,	Ont.				
Sturgeon Falls,	Ont.	Not Uniform	Special Group Rates.	Grand Mere Rates.	Grand Mere Rates.
Espanola,	"				
Iroquois Falls,	Ont.	3¢ over Sturgeon Falls	4¢ over Sturgeon Falls.	Grand Mere Rates.	Grand Mere Rates.
Kapuskasing,	Ont.	4¢ over Sturgeon Falls.		1¢ over.	
St. Raymond,	Que.	2¢ over.	2¢ over.	2¢ over.	2¢ over.
Beaupre,	"	2½¢ over.	2½¢ over.	2½¢ over.	2½¢ over.
La Malbaie,	"	4¢ over.	4¢ over.	4¢ over.	4¢ over.
Dolbeau, Jonquiere, Port Alfred, River Bend,	Que.	5¢ over.	5¢ over.	5¢ over.	5¢ over.
Bathurst,	N.B.	To New York 6¢ over.	6¢ over.	6¢ over.	6¢ over.
Dalhousie,	"	Others TL 10¢ over N.E. Various.			

SCHEDULE 41 - PROVINCIAL REVENUES FROM MOTOR VEHICLE OPERATIONS

Source: The Highway and Motor Vehicle in Canada, 1928 to 1937, Dominion Bureau of Statistics.

(Thousands of Dollars)

Year	Revenue from Gasoline Tax (a)	Revenue from All Other Fees, Licences, Taxes, etc.	Total
1928	12,547	19,004	31,551
1929	18,745	22,511	41,256
1930	22,655	20,168	42,823
1931	22,546	19,685	42,231
1932	27,084	21,126	48,210
1933	26,468	20,576	47,044
1934	29,055	21,568	50,623
1935	31,533	23,091	54,624
1936	34,532	26,494	61,026
1937	39,147	25,994	65,141

(a) Includes commissions paid for collection which are not usually reported in revenues by the provinces.